

## IOWACCESS NETWORK SERVICES AGREEMENT

This Agreement for IowAccess Network Services (this "Agreement"), made and effective as of April 1, 2006, by and between the State of Iowa, acting by and through the Iowa Department of Administrative Services, Information Technology Enterprise ("ITE"), and Iowa Interactive, LLC, a limited liability company organized under the laws of Iowa ("Vendor"). The parties agree as follows:

### SECTION 1. PURPOSE AND TERM.

**1.1 Purpose.** The purpose of this Agreement is to describe and clarify Vendor's duties and obligations to provide professional services and other Deliverables in connection with the continuing development, enhancement, management and promotion of the electronic gateway network (referred to herein as "IowAccess or the Network") for the State of Iowa (the "State").

**1.2 Term.** The initial term of this Agreement is for five years, unless terminated earlier in accordance with the terms of this Agreement. After expiration of the initial term, the State shall have the option to extend this Agreement for an additional one-year renewal term. The decision to extend the Agreement will be at the sole option of the State and may be exercised by the State by providing at least ninety (90) day's advance written notice to Vendor of the State's intention to extend.

**SECTION 2. DEFINITIONS.** In addition to any other terms that may be defined elsewhere in this Agreement, the following terms shall have the following meanings:

**"Acceptance"** means the State has determined that one or more Deliverables satisfies the State's Acceptance Tests. **Final Acceptance** means the State has determined that all Deliverables satisfy the State's Acceptance Tests. **Non-Acceptance** means the State has determined that one or more Deliverables have not satisfied the State's Acceptance Tests.

**"Acceptance Criteria"** means the Specifications, goals, Performance Measures, testing results and/or other criteria designated by the State and against which the Deliverables shall be evaluated for purposes of Acceptance or Non-Acceptance thereof.

**"Acceptance Tests" or "Acceptance Testing"** mean the tests, reviews and other activities that are performed by or on behalf of the State, or any other Governmental Entity at the State's direction, to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the State, as determined by the State in its sole discretion. Acceptance Testing may include testing of individual or multiple units, modules or components, system or integration testing, user-acceptance testing, load/stress testing, system security testing, network testing, recovery/backup testing, data transfer, migration and conversion testing, and Documentation review.

**"Affiliate"** mean any person controlling, controlled by, or under common control with the Vendor. "Control" (including the terms "controlled by" and "under common control with") includes the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

**"Application Environment"** means the State's development and test web hosting servers, including database servers, e-payment servers, authorization and authentication, and Internet/Intranet access, which are used to develop and test e-government web enabled applications or static web hosting sites before the application goes into production.

**"Certified Driver Operating Record Abstracts"** mean the portions of driver operating records that (i) can be viewed by Users authorized by DOT, (ii) are maintained and certified by the DOT in accordance with Iowa Code Chapter 321A, and (iii) are furnished by the DOT in connection with this Agreement.

**“Confidential Information”** means, subject to any applicable State and federal laws and regulations, including but not limited to Iowa Code Chapter 22, any confidential or proprietary information or trade secrets disclosed by either party (a “disclosing party”) to the other party (a “receiving party”) that, at the time of disclosure, is designated as confidential (or like designation), is disclosed in circumstances of confidence, or would be understood by the parties, exercising reasonable business judgment, to be confidential. Confidential Information does not include any information that: (i) was rightfully in the possession of the receiving party from a source other than the disclosing party prior to the time of disclosure of the information by the disclosing party to the receiving party; (ii) was known to the receiving party prior to the disclosure of the information by the disclosing party; (iii) was disclosed to the receiving party without restriction by an independent third party having a legal right to disclose the information; (iv) is in the public domain or shall have become publicly available other than as a result of disclosure by the receiving party in violation of this Agreement or in breach of any other agreement with the disclosing party; (v) is independently developed by the receiving party without any reliance on Confidential Information disclosed by the disclosing party; or (vi) is disclosed by the receiving party with the written consent of the disclosing party.

**“Deficiency”** means a failure of a Deliverable to conform to or meet an applicable Specification, a material defect with respect to a Deliverable, or a disruption of Service not caused by the State or a Force Majeure event.

**“Deliverables”** mean the Services, Software (in object code only unless otherwise provided), Source Code Documentation, goods, work product, works, items, property, and materials to be created, developed, produced, delivered, performed, or provided by or on behalf of Vendor to the State under this Agreement in connection with the Network, as more specifically set forth in the Statement of Work. Except as otherwise provided in this Agreement, Deliverables shall include any and all: inventions, ideas, concepts, discoveries, methodologies, processes, applications, programs, software, source code, object code, and any other code, language or programming in any stage of development, improvements, modifications, enhancements, upgrades, releases, works-in-progress, techniques, know-how, designs, creative works and original works of authorship, work product, derivative works, Specifications, data, databases, compositions of matter, drawings, notes, plans, papers, graphics, copy, artwork, images, templates, forms, reports, studies, screen designs, utilities, routines, tests, devices, materials, documents, information, content, and all other tangible and intangible works, materials and property of any kind and nature that are related to the Deliverables or created, developed, produced, delivered, or provided by or on behalf of, or made available through, Vendor (or any agent, contractor, subcontractor, subsidiary or Affiliate of Vendor) in connection with this Agreement. The term “Deliverables” does not include or in any way encompass any State Property provided for incorporation into the Services, Software, Network or goods and materials to be provided by Vendor.

**“Documentation”** means all technical information, commentary, design and system architecture documents, database layouts, code test materials, training materials, guides, manuals, worksheets, notes, and all other information, documentation and materials related to or used in connection with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

**“DOT”** means the Iowa Department of Transportation.

**“DOT Application”** means the application licensed by the State to provide access to DOT’s Certified Driver Operating Record Abstracts through a “read-only” query system referred to as DOT’s Record Retrieval Application.

**“DOT MOU”** means the MOU between ITE and the DOT related to the DOT Application.

**“DOT’s Record Retrieval Application”** means those applications developed by the DOT for handling real time individual and batch mode requests for record retrieval for the Vendor’s DOT Application.

**“Enhancement”** means an update, upgrade, patch, addition, modification, enhancement, improvement, or other change made to a Deliverable.

**“Governmental Entity”** shall mean any Governmental Entity, as defined in Iowa Code Section 8A.101(4), or any successor provision to that section. The term Governmental Entity shall include Iowa agencies, independent agencies, departments, boards, authorities, institutions, establishments, divisions, bureaus, commissions, committees, councils, examining boards, offices of elective constitutional or statutory officers, and other units or entities of government.

**“MOU”** means a Memorandum of Understanding or other agreement between ITE and any other Governmental Entity that receives services or benefits arising out of or relating to this Agreement.

**“Outcome Measure”** means the expression of the effect on customers, clients, the environment, or infrastructure.

**“Performance Measure”** means a measure or measures that assess a service, product, Deliverable or activity. Performance Measures may include quality, input, output, efficiency and Outcome Measures.

**“Production Environment”** means the State’s production web hosting servers, including database servers, e-payment servers, authorization and authentication, and Internet/Intranet access, which are used to host e-government web enabled applications developed by the vendor at the request of the State in which those applications meet Acceptance and are thus hosted on production server(s).

**“Project”** means the project to develop, enhance, maintain, manage and promote the Network and all services and Deliverables to be performed and provided by Vendor as described in this Agreement.

**“Project Completion Dates”** means the dates, if any, by which Vendor must deliver, install and complete specified work and Deliverables. For purposes of this Agreement, any Project Completion Dates will be specified in the Statement of Work or the Project Plan.

**“Project Plan”** means the Project Plan, if any, attached hereto as Schedule \_\_, as amended from time to time upon written agreement of the parties. The Project Plan is incorporated into this Agreement by this reference as if fully set forth in this Agreement.

**“Quality Measure”** means the expression of how well the service, product, Deliverable or activity was delivered or provided, based on characteristics determined to be important to the State, ITE or their customers, as set out in Schedule B hereto.

**“Service” or “Services”** means the work and services performed under this Agreement for the State, ITE, DOT or Governmental Entities by or on behalf of Vendor. Services include, but are not limited to, work that is operational in nature, for example the delivery of a function or technology component.

**“Service Review”** means the methods to review Vendor’s performance of this Agreement, including Performance Measures developed pursuant to Iowa Code Chapter 8E and set forth in Schedule B.

**“Software”** shall have the meaning ascribed to that term in the Software License Agreement and shall include any other software, software modules, programs, applications, and components that are developed or otherwise provided by Vendor to the State pursuant to this Agreement and/or licensed pursuant to the Software License Agreement. The term “Software” shall include all Source Code, object code, Documentation and Enhancements for or related to the Software.

**“Software License Agreement”** means the Software License Agreement by and between Vendor and the State as amended from time to time upon written agreement of the parties thereto.

**“Source Code”** means the human-readable source code, source program, scripts and/or programming language, including HTML, XML, XHTML, Visual Basic, and JAVA, for or related to any program, application or software (including the Software). Source Code includes all source code listings, instructions (including compile

instructions), programmer's notes, commentary and all related technical information and Documentation. Source Code also includes all such information and Documentation that is necessary or useful for purposes of maintaining, repairing or making modifications or enhancements to any source code, program, application or software (including the Software) and that has been developed or provided by or on behalf of Vendor or any Affiliate.

**"Specifications"** mean all specifications, requirements, technical standards, performance standards, Performance Measures, representations and other criteria related to the Deliverables stated or expressed in this Agreement, including the Statement of Work, the Software License Agreement, Documentation, Acceptance Criteria, the RFP (as defined below), the Proposal (as defined below), and any other Specifications, requirements, standards and criteria as may be described in Schedule B. The Specifications are incorporated into this Agreement by reference as if fully set forth in this Agreement.

**"State Property"** means any content, information (including Confidential Information), records, documents, materials, software, programs, data, hardware or other property owned, possessed or maintained by the State or a Governmental Entity and all intellectual property rights in and to such property, including, as applicable, copyrights, trademarks, trade secrets, trade dress, and/or patent rights.

**"Statement of Work" or "SOW"** means Schedule A to this Agreement, which describes, among other things, the Deliverables and services to be provided by Vendor under this Agreement and the compensation (if applicable) and final delivery dates associated therewith. The Statement of Work, as amended or revised from time to time upon written agreement of the parties, is incorporated into this Agreement by this reference as if fully set forth in this Agreement.

**"Statutory Fees"** mean those fees, charges, taxes, assessments or other amounts established by statute, rule, ordinance, resolution or other law or regulation (excluding Value-added Service Fees), charged by the State or any Governmental Entity to obtain a copy of a record, obtain or renew a license or permit, or otherwise to engage in a transaction with the State or a Governmental Entity.

**"Third Party"** means a person or entity (including, but not limited to any form of business organization, such as a corporation, partnership, limited liability corporation, association, etc.) that is not a party to this Agreement.

**"User"** means any person or entity that is authorized by the State or a Governmental Entity to use or access the Network to access or submit information, access Certified Driver Operating Record Abstracts, conduct transactions or receive Value-added Services.

**"Value-added Services"** shall have the meaning ascribed to it in Iowa Code Section 8A.201(6), or any successor provision to that section. Value-added Services shall be deemed to include any access to information or records and transactions conducted through the Network.

**"Value-added Service Fee"** means a fee established by the State or any State Governmental Entity and charged to a User for Value-added Services received through the Network, including access fees, transaction fees or any other similar fees. For purposes of this Agreement, Value-added Service Fees shall not include Statutory Fees.

### **SECTION 3. DOCUMENTS INCORPORATED.**

**3.1 Incorporation.** The State's Request for Proposal No. BD20600S027 for Ongoing MARKETING AND SUPPORT OF "IOWACCESS" ("RFP") and Vendor's proposal dated November 14, 2005, in response to the RFP ("Proposal"), together with any clarifications, attachments, appendices, or amendments to the RFP and Proposal are incorporated into this Agreement by this reference as if fully set forth in this Agreement; provided, however, that none of Vendor's proposed revisions or modifications to the sample Network Services Agreement attached to the RFP shall be incorporated into this Agreement unless expressly set forth herein.

**3.2 Contractual Obligations.** The terms and conditions of the RFP and of the Proposal are made contractual obligations of Vendor, except that any proposed revisions or modifications made by Vendor to the sample Network Services Agreement attached to the RFP shall not be deemed to limit, modify or otherwise affect any of the contractual obligations of Vendor or the State hereunder, unless expressly stated herein.

**3.3 Preference.** In the case of any inconsistency or conflict between the specific provisions of this document, the RFP or the Proposal, any inconsistency or conflict shall be resolved as follows: first, by giving preference to the specific provisions of this document and any schedules, exhibits or other attachments; second, by giving preference to the specific provisions of the RFP; and third, by giving preference to the specific provisions of the Proposal.

**3.4 No Inconsistency.** The references to the parties' obligations, which are contained in this document, are intended to change, modify, supplement or clarify the obligations as stated in the RFP and the Proposal. The failure of the parties to make reference to the terms of the RFP or Proposal in this document shall not be construed as creating a conflict and will not relieve Vendor of the contractual obligations imposed by the terms of the RFP and the Proposal. Terms offered in the Proposal, which exceed the requirements of the RFP, shall not be construed as creating an inconsistency or conflict with the RFP or this document. Notwithstanding anything herein to the contrary, the State shall have only those obligations that are expressly stated in this document, and the Proposal does not create any express or implied obligations of the State.

#### **SECTION 4. SCOPE OF WORK AND VENDOR OBLIGATIONS.**

**4.1 Scope of Work.** Vendor shall provide to the State, ITE, DOT and other Governmental Entities, as applicable, all of the Deliverables specified in the Statement of Work in accordance with the terms and conditions of this Agreement. Deliverables in the form of Documentation and Source Code must be clear, concise, factual and complete. Vendor shall provide all such Deliverables in both hard copy and electronic format (acceptable to the State) and as otherwise required and noted herein or in the applicable Statement of Work.

**4.2 Amendments to Statement of Work and Specifications.** The parties agree that the Statement of Work may be replaced, amended or revised at any time during the term of this Agreement upon the mutual written consent of the parties.

**4.3 Performance Standards.** The parties agree that the performance standards, Performance Measures and related payment, monitoring and review provisions set forth in Schedule B are incorporated herein by this reference as if fully set forth in this Agreement.

**4.4 Value-added Service Fees.** Vendor and the State agree that, prior to the charging or assessment of any Value-added Service Fee to Users, Vendor and the State must mutually determine and agree that such fee or charge is authorized in accordance with all applicable laws, rules and regulations and that any necessary or required approvals or consents with respect to such fee or charge have been obtained. Vendor shall, immediately upon collection, deposit in the IowaAccess Revolving Fund or such account or accounts as may be designated by the State, all such Value-added Service Fees and all Statutory Fees. Vendor agrees that it will not deposit any Value-added Service Fees or Statutory Fees in any accounts of Vendor or in any other accounts not designated or approved by the State in writing. Vendor's failure to comply with the foregoing requirements regarding deposit of Value-added Service Fees and Statutory Fees shall constitute a material breach and may result in immediate termination of this Agreement by the State. Vendor acknowledges that all Value-added Service Fees and Statutory Fees are the sole property and assets of the State and that Vendor shall have no interest or rights in and to such fees. Vendor agrees that it shall charge no Value-added Service Fees or other fees to Users determined by DOT to be exempt from the payment of statutory fees for accessing Certified Driver Operating Record Abstracts, provided that DOT clearly identifies such Users who are exempt reasonably in advance, and that Vendor shall derive no compensation with respect to transactions involving such Users.

**4.5 Vendor Precautions.** To the extent within Vendor's control, Vendor shall take all precautions necessary to prevent unauthorized access to the Network, the State's systems, networks, computers, property (including State Property), Certified Driver Operating Record Abstracts, data, and information. Unless otherwise expressly agreed to

by the parties, the State shall be providing the Application Environment and the Production Environment, including necessary hardware, software, security systems and Internet access for those environments.

**4.6 Network Failures.** Vendor agrees that the State and Governmental Entities shall not bear any liability or be responsible for any damages, expenses, costs, claims or lost profits associated with any failure of the Network, interruptions or disruptions in services, equipment or computer malfunctions, failures, disruptions or delays with respect to Internet connections or services, utility outages or service failures, maintenance downtime, or any circumstances that are beyond the control of the State or a Governmental Entity.

**4.7 Financial Reports.** Within 120 days after the close of Vendor's fiscal year, Vendor will submit to the State an annual financial report and audit. The submitted report, audit and financial information shall be certified by an independent public accountant and shall include, but is not limited to, audited financial statements, auditor's report and management letters, if any.

**4.8 Transition Duties in the Event of Expiration or Termination.** Vendor agrees that in connection with the termination or expiration of the Agreement, Vendor shall continue to perform such Services as the State may request in accordance with the terms and conditions of this Agreement for a transition period up to twelve (12) months from the time of notification of termination by either party or expiration, whichever occurs earlier. As part of the State's request, the State shall notify the Vendor of the number of months during which the Vendor shall continue to perform transition Services under this provision. The Vendor shall use its best efforts to make an orderly transition of its services to the State or to any successor selected by the State and shall perform any and all tasks contemplated in this Agreement in good faith that are necessary to assist in preserving the integrity of Network operations. Vendor agrees that it shall perform any such transition in a professional and businesslike manner, and shall comply with the reasonable requests of the State and any successor vendor to assist in the effort to accomplish a successful, seamless and unhindered transfer of Vendor's responsibilities under this Agreement. Subject to Vendor's compliance with the relevant terms of this Agreement and the Software License Agreement, State agrees to pay to Vendor during such transition period the fees referenced in Section 5.1 to the extent Value-added Service Fees are being collected and are available to pay such fees. To the extent that Value-added Service Fees are not being collected and paid to Vendor or are otherwise unavailable to it or are insufficient for any reason to pay such fees, then Vendor shall receive during such transition period compensation equivalent to the average compensation Vendor received under this Agreement for the 90-day period immediately preceding the expiration date or effective date of termination (the "Period") for the same Services requested by the State to be provided during transition; provided, however, if the compensation received by Vendor during the Period has been substantially reduced or eliminated, then the compensation to be paid shall be calculated using a 90-day period immediately prior to the substantial reduction or elimination of such compensation. In the event the State's request for transition assistance does not require Vendor to continue providing all of the Services under a particular SOW, the parties shall negotiate in good faith an equitable adjustment in the fees which are otherwise payable to Vendor under Section 5.1 for such Services.

**4.9 Care of Property.** Vendor shall be responsible for the proper custody and care of any property of the State or Governmental Entity, including, but not limited to, data, databases, interfaces, telecommunications lines and equipment, intellectual property and State Property, furnished by the State or a Governmental Entity for Vendor's use in connection with the performance of the Agreement. Vendor shall exercise its best efforts to prevent damage by Vendor (or Vendor's Affiliates, employees, agents, contractors or subcontractors) to all such property and shall, at the State's request, restore property damaged by Vendor (or Vendor's Affiliates, employees, agents, contractors or subcontractors) to the extent possible to its condition prior to the damage at the sole expense of Vendor. In the event such damaged property cannot be restored to its condition prior to being damaged, Vendor will, at the request of the State or a Governmental Entity, reimburse the State or the Governmental Entity for any loss or damage to such property. Vendor shall not take any action that would impair the value of, or goodwill associated with, the name, property and intellectual property rights of the State and State Governmental Entities. Vendor shall obtain the prior advance written approval from the State prior to Vendor's use of the marks (in advertising, publicity, public contract bidding or otherwise) or intellectual property rights of the State or any Governmental Entity.

**4.10 Third Party Hardware and Software.**

**4.10.1** Vendor shall recommend to the State all Third Party hardware necessary or desirable to be acquired to complete work and provide the Deliverables under this Agreement. At the State's sole discretion, the State will procure such Third Party hardware directly or request Vendor to procure or make available the Third Party hardware for the State upon such terms and conditions that are mutually acceptable to the State and to the Third Party. The vendor will assign to the State the manufacturer's warranties which are otherwise transferable, upon transfer of the hardware. Any costs to be born by the Vendor in making such acquisition shall be subject to the limitations of compensation from the Value-Added Service Fees.

**4.10.2** Vendor shall recommend to the State all Third Party software necessary or desirable to be acquired to complete work and provide all Deliverables under this Agreement. At the State's sole discretion, the State will license such Third Party software directly or request Vendor to license or sublicense the Third Party software to or on behalf of the State at the State's expense. In the latter case, Vendor shall ensure that all Third Party software or other materials provided pursuant to this Agreement shall be licensed to the State pursuant to a license agreement, the terms and conditions of which must be mutually acceptable to the State and the Third Party.

**4.10.3** At the State's request, Vendor shall assign to the State all of the licensor's and manufacturer's warranties and indemnities pertaining to Third Party software and Third Party hardware under any license or other agreement between Vendor and any Third Parties relating to Third Party software and Third Party hardware to the extent they are assignable. Such assignment shall be the sole warranty and indemnification made by the Vendor pertaining to Third Party software and Third Party hardware. In the event compensation from the Value-Added Service Fees is insufficient for the Vendor to recover the costs for such Third Party software or Third Party hardware, the Vendor shall not be required to assign the same until the State has reimbursed the Vendor for such materials.

**4.11 User Information and Privacy.** Except as otherwise mutually agreed by the parties, Vendor shall not load, use, transmit, store or maintain any application with respect to the Network that would track an individual User's use of the Network or User's personal or private information without the User's knowledge except to the extent necessary or desirable to (a) prevent or investigate unauthorized access to Confidential Information of either party or other State Property, (b) preserve the integrity of firewalls, (c) document a User's account activity, (d) document any transactions in which Statutory Fees and/or Value-added Service Fees are collected, (e) collect fees as authorized by the State, (f) provide reports required by the State, (g) comply with a specific request by the State or a Governmental Entity, (h) investigate or document unauthorized use of the Network, or (i) comply with an order of a court of competent jurisdiction. Vendor agrees to comply with the privacy policies of the State and applicable Governmental Entities as provided to Vendor from time to time, including any privacy policies posted on the Network.

**4.12 Contract Compliance Audit.** Vendor agrees that the State or a representative of its selection may conduct a complete contract compliance audit at least once annually and after termination or expiration of this Agreement to determine whether or not the Vendor is complying or has complied with the terms of this Agreement, criteria established for access to State Property, state and federal laws regarding Confidential Information of the State, and any other applicable laws and regulations. Vendor shall promptly comply with and correct any deficiencies noted in the audit report as audit exceptions. Subject to the limitations of compensation from the Value-Added Service Fees, Vendor will promptly implement any recommendations reasonably requested by the State or its representatives after consultation with the Vendor. Vendor shall not impose any charge or fee in connection with any contract compliance audit except as contemplated in the prior sentence and shall immediately refund any compensation or other amounts that Vendor received in error or in violation of the terms of this Agreement.

**4.13 State Not Required to Accept or Install Enhancements.** Vendor shall not condition any of the State's rights or Vendor's obligations under this Agreement, or any other contract related to the Software or other Deliverables, on the State accepting or installing any Enhancements or additional functionality provided by Vendor.

**4.14 Security Procedures; Cooperation.** Vendor and Vendor's personnel shall comply with the State's security procedures including any procedure which the State's personnel, contractors and consultants are normally asked to follow. Vendor agrees to cooperate fully and to provide any assistance necessary to the State in the investigation of any security breaches that may involve Vendor or Vendor's personnel.

**4.15 Right to Consultation.** ITE shall, whenever practicable, consult with the Vendor with respect to Vendor's capabilities prior to implementing any transaction-based services with Value-added Service Fees which are brought to the ITE for possible implementation by other Governmental Entities

## **SECTION 5. COMPENSATION AND ADDITIONAL RIGHTS AND REMEDIES.**

**5.1 Compensation.** In consideration of Vendor providing the State and any applicable Governmental Entities with the Deliverables in accordance with the terms and conditions of this Agreement, Vendor shall be entitled to receive the fees associated with such Deliverables as specified in Schedule A, subject to all terms, conditions and provisions of this Agreement, including, without limitation, Sections 5.1-5.8, 6.2, 8.5, 10.4 and Schedules A and B. Vendor shall not be entitled to receive any additional compensation, fees, expenses, costs, charges, reimbursements or other amounts in connection with the Deliverables to be provided hereunder other than as expressly stated in this Agreement or the Software License Agreement. Other than with respect to transition fees, Vendor's compensation (i.e. the fees stated in Schedule A) for providing Deliverables under this Agreement shall be paid solely from, and to the extent of, Value-added Service Fees actually collected (and not refunded or credited) and deposited into the IowaAccess Revolving Fund or such other account(s) as may be designated by the State, ITE or any other applicable Governmental Entity. The State may withhold, offset, adjust and apply credits against Vendor's compensation as provided in this Agreement. Under no circumstances whatsoever will Vendor be entitled to receive or have any claim whatsoever to Statutory Fees or any other revenues, fees, monies, funds or accounts of the State or any Governmental Entity, except as expressly provided herein. Except as expressly agreed otherwise by the parties, Vendor is not entitled to payment for any Deliverable that does not receive Acceptance by the State or fails to meet or conform to Specifications. Except as may be expressly provided herein, Vendor shall not be compensated on a time and materials basis. No advance payments shall be made for any Deliverables provided by Vendor pursuant to this Agreement. Vendor is not entitled to payment for any Deliverable or Service if the State reasonably determines that such Deliverable or Service has not been satisfactorily or completely delivered or performed, or that Deliverable or Service fails to meet or conform to applicable specifications. The SOW under which the Deliverable is provided will identify the particular fees and payments with respect to such Deliverable. No payment shall be construed as Acceptance of defective Deliverables or incomplete work, and Vendor shall remain responsible for full performance in strict compliance with the terms and conditions of this Agreement.

**5.2 Invoices.** Vendor shall submit an invoice to the State requesting payment of the fee(s) specified in Schedule A on a monthly basis. No fees shall be invoiced with respect to any Software or other Deliverable until the State has provided Vendor with notice of Acceptance with respect thereto. All invoices submitted by Vendor shall contain appropriate information as necessary to support the fees or charges included on the invoice and shall comply with all applicable rules concerning payment of such fees, charges or other claims and shall contain all information required in the SOW or such other information or documentation as may be reasonably requested by the State or any Governmental Entity. Such invoice shall describe all Value-added Services and other Deliverables provided during the month, the status of collections with respect to all Value-added Service Fees or other amounts charged, any complaints received or Service interruptions experienced during the month and the actions taken by Vendor to respond to such complaints and resolve interruptions. Subject to the terms and conditions of this Agreement, State shall pay all approved invoices in arrears and in conformance with Iowa Code section 8A.514 and 11 Iowa Admin. Code 41.1(2). The State may pay in less than sixty (60) days, as provided in Iowa Code section 8A.514. However, an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code section 8A.514. Notwithstanding anything herein to the contrary, the State shall have the right to dispute any invoice submitted for payment and withhold payment of any disputed amount if the State reasonably believes the invoice is inaccurate or incorrect in any way. The State and the Vendor shall cooperate with each other to reconcile any disputed amounts as promptly as possible.



**5.3 Erroneous Payments, Credits and Refunds.** State shall provide Vendor with written notice of any overpayment or erroneous payment made by the State, and notice shall include an explanation as to why the State believes the payment is erroneous or excessive. Upon receipt of such notice, Vendor shall either promptly pay to the State the amount of such overpayment or erroneous payment (but in no event later than 10 days after the date it receives notice) or provide the State with written reasons why it disputes the amount claimed by the State. The State and the Vendor shall cooperate with each other to resolve any dispute as promptly as possible, and Vendor shall pay or refund to the State any amount that the State finally determines should be returned to it within ten (30) days after the State makes its final determination provided, however, if the Vendor reasonably believes the State to be in error, the Vendor may pursue the matter in court as provided in section 12.5. In the event Vendor fails to timely pay or refund any amounts due the State under this Section 5.3, the State will charge interest of one percent (1%) per month compounded on the outstanding balance after the date payment or refund is due, or the maximum amount allowed by law, whichever is greater. The State may, in its sole discretion, elect to have Vendor apply any amounts due to the State under this Section 5.3 against any amounts payable by the State under this Agreement or any other agreement between the parties. To the extent Vendor receives any payment or compensation that is derived from any transaction or service, including a Value-added Service, for which Vendor, the State or a Governmental Entity subsequently issues a refund of or a credit against all or a portion of the fees, including Value-added Service Fees, charged with respect to such transaction or service, the State or the Governmental Entity may request in writing that Vendor reimburse the State or the Governmental Entity for the amount of such payment or compensation received by Vendor in connection therewith, and Vendor shall pay such requested amount within ten (30) days of such request. Alternatively, the State or a Governmental Entity may elect to offset such amounts against any other amounts or compensation that may be due and owing to Vendor hereunder; provided, in the event of such offset, the State will provide Vendor prior written notification concerning the amount of the offset and the reasons for the offset.

**5.4 Reimbursable Expenses.** There shall be no reimbursable expenses associated with this Agreement separate from the compensation referred to in this section. Vendor shall be solely responsible for all costs and expenses, including, but not limited to, travel, mileage, meals, lodging, equipment, supplies, personnel, training, salaries, benefits, insurance, conferences, long distance telephone, utilities, start-up costs, overhead, and all other costs and expenses of Vendor.

**5.5 Set-off Against Sums Owed by Vendor.** In the event that Vendor owes the State or any Governmental Entity any sum under the terms of this Agreement, any other agreement, pursuant to a judgment, or pursuant to any law, the State may set off such sum against any sum invoiced to the State or any Governmental Entity by Vendor in the State's sole discretion unless otherwise required by law provided, in the event of such offset, the State will provide Vendor prior written notification concerning the amount of the offset and the reasons for the offset. Any amounts due to the State as liquidated damages or any other damages awarded by a court may be deducted by the State from any money or sum payable by the State to Vendor pursuant to this Agreement or any other agreement between Vendor and the State.

**5.6 Withholding Payments.** In addition to pursuing any other remedy provided herein or by law, the State may withhold compensation or payments for a Deliverable to Vendor, in whole or in part, without penalty to the State or work stoppage by Vendor, in the event the State determines that: (i) Vendor has failed to perform any of its duties or obligations as set forth in this Agreement and/or the Software License Agreement; or (ii) that Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. No interest shall accrue or be paid to Vendor on any compensation or other amounts withheld or retained by the State under this Agreement. The State will provide Vendor with notice of the reason for the withholding of payment, and the amount being withheld. The SOW under which the Deliverable is provided will identify the particular fees and payments with respect to such Deliverable, and the State will use such number in determining the appropriate amount to withhold in the event such Deliverable has failed to meet or to conform to Specifications, or contains or experiencing a Deficiency.

**5.7 Correction/Cure.** The State may correct any Deficiencies with respect to any Deliverable or cure any Vendor default under this Agreement without prejudice to any other remedy it may have if Vendor fails to correct such Deficiencies as required in this Agreement or if Vendor otherwise defaults or fails to set a cure period to

perform any provision of the Agreement within the time period specified in a notice of default from the State. The State may provide or procure the services reasonably necessary to correct any Deficiencies or cure any Vendor default, in which event Vendor shall reimburse the State for the actual costs incurred by the State for such services (or for the reasonable value of the time expended by any State employees who provide such services). In addition, Vendor shall cooperate with the State or any Third Parties retained by the State who assist in curing such default, including by allowing access to any pertinent materials or work product of Vendor; provided, however, Vendor shall not be required to provide access to its Confidential Information to any Third Party unless such Third Party has executed a written confidentiality agreement with the State containing restrictions against disclosure and other terms substantially similar to those contained in Section 9.2.2 of the Software License Agreement.

**5.8 Criminal Insurance.** Vendor shall maintain separate crime insurance for employee dishonesty, including theft, with a per occurrence limit of insurance of not less than \$2.5 million dollars (\$2,500,000). The crime insurance, which must be acceptable to the State, shall be written by an insurer licensed to do business in Iowa. Vendor shall pay the cost of this insurance and shall be responsible for the payment of any deductible or other amount for which an insured is responsible under the insurance. In the event any Vendor Affiliate provides Deliverables under this Agreement, the insurance shall cover employee dishonesty, including theft, committed by the employees of such Vendor Affiliate. Vendor warrants that it will maintain the required insurance coverage at all times during the term of this Agreement and for one year thereafter without any lapse in coverage. Vendor shall provide the State with a complete copy of the policy and a certificate of insurance. The State's receipt of the certificate of insurance does not constitute approval of the coverage nor does the insurance relieve Vendor from the faithful and honest performance of this Agreement. Vendor must be able to directly make or file a claim under such insurance for any loss incurred by the State which would be covered under this insurance and shall make or file such claim immediately upon the State's request. The State shall be a loss payee under the insurance. Vendor shall have no right to receive or recover any payments or proceeds that may be made under the policy until the State has fully recovered any losses, damages or expenses sustained or incurred by it, and Vendor shall assign to the State all of its rights in and to any and all payments and proceeds that may be made under the policy.

**5.9 Adjustments To Network Resources.** Network Resources means the resources, including staffing, available for application and Web page development, deployment, management, marketing and other Services for the Network, funded through the portion of the Value-added Service Fees distributed to Vendor pursuant to the Agreement. Network Resources will be projected by Vendor in its annual business plan made available to the State. Network Resources will be adjusted as follows: The monthly average number of Certified Driver Operating Record Abstracts accessed through the Network during the six-month period beginning October 1, 2005 and ending March 31, 2006 will be calculated and utilized as a baseline average (the "Baseline Average"). The Network Resources baseline will be established as the resources specified in the RFP. For each succeeding six-month period, a new monthly average number of Certified Driver Operating Record Abstracts accessed through the Network will be calculated and compared with the Baseline Average. An adjustment to Network Resources will be made for every 15% increase or 15% decrease in the average number of Certified Driver Operating Records accessed through the Network during each six-month period relative to the Baseline Average. Vendor agrees that for each 15% increase in the average number of Certified Driver Operating Record Abstracts, Vendor shall provide at least one additional full-time staff person to provide such Services as the State may request, or such other Network Resources as the State may request in lieu of an additional staff person. The State agrees that for each 15% decrease in the average number of Certified Driver Operating Record Abstracts, Vendor may decrease Network Resources. Vendor will not make such an adjustment pursuant to this provision that will adversely affect the Services or the operation of the Network without the prior approval of the State, provided the Value-added Service Fees or other sources of funding are available to fund the Network Resources for the Services. The approval of the State to any decrease requested as a result of a 15% decrease will not be unreasonably withheld.

## **SECTION 6. ACCEPTANCE TESTS, PROJECT MANAGEMENT AND KEY PERSONNEL.**

**6.1** Vendor shall commence and complete all work and provide all Deliverables in accordance with the deadlines, timelines, terms, conditions, Specifications and other requirements specified in this Agreement, including those which may be specified in the Statement of Work and the Project Plan. Vendor shall deliver, install and

complete services and provide Deliverables no later than the Project Completion Date(s) specified in the Statement of Work or the Project Plan.

**6.2** All Deliverables shall be subject to the State's Acceptance Testing and Acceptance, unless otherwise specified in the Statement of Work. Upon completion of all work to be performed by Vendor with respect to any Deliverable, Vendor shall deliver a written notice to the State certifying that the Deliverable meets and conforms to applicable Specifications and is ready for the State to conduct Acceptance Tests; provided, however, that Vendor shall pretest the Deliverable to determine that it meets and operates in accordance with applicable Specifications prior to delivering such notice to the State. At the State's request, Vendor shall assist the State in performing Acceptance Tests at no additional cost to the State. Within a reasonable period of time after the State has completed its Acceptance Testing, the State shall provide Vendor with written notice of Acceptance or Non-acceptance with respect to each Deliverable that was evaluated during such Acceptance Testing. If the State determines that a Deliverable fails to satisfy its Acceptance Tests, the State shall provide Vendor with notice of Non-acceptance with respect to such Deliverable and shall identify the Deficiencies or other grounds for Non-acceptance. In the event the State provides notice of Non-acceptance to Vendor with respect to any Deliverable, Vendor shall correct and repair such Deliverable and submit it to the State within ten (10) days of Vendor's receipt of notice of Non-acceptance so that the State may re-conduct its Acceptance Tests with respect to such Deliverable. In the event the State determines, after re-conducting its Acceptance Tests with respect to any Deliverable that Vendor has attempted to correct or repair pursuant to this Section 6.2, that such Deliverable fails to satisfy its Acceptance Tests, then the State shall have the continuing right, at its sole option, to: (i) require Vendor to correct and repair such Deliverable within such period of time as the State may specify in a written notice to Vendor, (ii) refuse to accept such Deliverable without penalty and without any obligation to pay any fees or other amounts associated with such Deliverable (or receive a refund of any fees or amounts already paid with respect to such Deliverable); (iii) accept such Deliverable on the condition that any fees or other amounts payable with respect thereto shall be reduced or discounted to reflect, to the State's satisfaction, the Deficiencies present therein and any reduced value or functionality of such Deliverable or the costs likely to be incurred by the State to correct such Deficiencies; or (iv) terminate this Agreement and/or seek any and all available remedies, including damages. Notwithstanding the provisions of Section 10 of this Agreement, the State may terminate this Agreement pursuant to this Section 6.2 without providing Vendor with any notice or opportunity to cure as provided for in Section 10. The State's right to exercise the foregoing rights and remedies, including termination of this Agreement, shall remain in effect until Acceptance Tests are successfully completed to the State's satisfaction and the State has provided Vendor with written notice of Final Acceptance. If the State determines that all Deliverables satisfy its Acceptance Tests, the State shall provide Vendor with notice of Final Acceptance with respect to such Deliverables. Vendor's receipt of any notice of Acceptance, including Final Acceptance, with respect to any Deliverable(s) shall not be construed as a waiver of any of the State's rights to enforce the terms of this Agreement or require performance in the event Vendor breaches this Agreement or any Deficiency is later discovered with respect to such Deliverable(s).

### **6.3 Project Management and Reporting.**

**6.3.1 Project Manager.** At the time of execution of this Agreement, Vendor shall designate, in writing, a Project Manager acceptable to the State to serve until the expiration of this Agreement. Vendor will assign a Project Manager of a management level sufficient to assure timely responses from all Vendor personnel, timely completion of tasks and achievement of milestones, and whose resume and qualifications will be reviewed and approved by the State prior to her or his appointment as Vendor's Project Manager. Vendor represents that its Project Manager will be fully qualified to perform the tasks required of that position under this Agreement. Vendor's Project Manager shall be able to make binding decisions pursuant to this Agreement on behalf of and for Vendor. Any written commitment by Vendor's Project Manager and persons designated by her/him in writing for this purpose, within the scope of this Agreement, shall be binding upon Vendor. Vendor's Project Manager shall exercise her or his best efforts while performing under this Agreement. Vendor's Project Manager or his/her designee shall be at the State's site as needed during the course of work under this Agreement and will be available either in person, by telephone or E-mail to respond promptly (in no event more than 2 hours after receipt of a request or inquiry) during the business day to inquiries from the State or a Governmental Entity.

**6.3.2 Review Meetings.** Commencing with performance of this Agreement, Vendor's Project Manager shall meet weekly with the State's project manager and representatives, unless otherwise mutually agreed, to discuss progress made by the Vendor in the performance of this Agreement. At each review meeting, Vendor's Project Manager shall provide a status report, which includes, at minimum, the information described in Section 6.3.3 and describes any problems or concerns encountered since the last meeting. At the next scheduled meeting after which any party has identified in writing a problem, the Vendor shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. Vendor shall maintain records of such reports and other communications issued in writing during the course of its performance under this Agreement.

**6.3.3 Reports.** Vendor shall provide the State with weekly status reports that describe, at a minimum, the previous week's activities, including problems encountered and their disposition, results of tests, whether or not deadlines were met, status of Deliverables, proposed changes to the Project Plan, any problems that may have arisen that need to be addressed before proceeding to the next week's activities, and any other information the State may request. Vendor's proposed format and level of detail for its status reports shall be subject to the State's approval.

**6.3.4 Problem Reporting Omissions.** The State's receipt of a report that identifies any problems shall not relieve Vendor of any obligation under this Agreement or waive any other remedy under this Agreement or at law or equity that the State may have. The State's failure to identify the extent of a problem or Deficiency, or the extent of damages incurred as a result of a problem or Deficiency, shall not act as a waiver of performance under this Agreement.

**6.3.5 Change Order Procedure.** The State may at any time request a modification to the Statement of Work using a change order. The following procedures for a change order shall be followed:

**6.3.5.1 Written Request.** The State shall specify in writing the desired modifications to the Statement of Work.

**6.3.5.2 Vendor's Response.** Vendor shall submit to the State any proposed modifications to the Statement of Work or Project Plan and a firm cost proposal, if applicable, for the requested change order within five (5) business days of receiving the State's change order request. Vendor agrees that there will be no additional cost or compensation paid to Vendor for or with respect to any change order requests for modifications, deliverables, modules or functionality that are consistent with the RFP or the Proposal.

In the event a change order requests modifications, deliverables, modules or functionality, that is not consistent with the RFP and Proposal, or that cannot be provided using existing Portal Resources, the Vendor shall provide documentation for any costs associated with a change order. The State shall review such documentation and determine whether it would like to proceed with such change order and negotiate payment for any increased costs. Upon agreement with respect to the change order, including any increased costs, the parties will execute a written change order.

**6.3.5.3 Effect of Change Order.** Both parties must sign and date the change order to authorize the change in Deliverables described therein and incorporate the changes into the Statement of Work and this Agreement. No services shall be performed pursuant to the change order and no payment shall be made on account of the change order until the change order is fully executed by both parties. Upon such execution, a change order shall alter only that portion of a Statement of Work to which it expressly relates and shall not otherwise affect the terms and conditions of this Agreement.

**6.4 Key Personnel.** The State considers Tim Erickson, Project Manager from Vendor to be "Key Personnel" essential to a successful project. Vendor acknowledges that a significant reason the State has entered into this

Agreement is because of the special qualifications of such Key Personnel. Vendor shall not remove, reassign, transfer, or replace the individual(s) identified in this section except in the event of death, illness, retirement, disability, or termination from employment, conditions permitting absence from employment under the Family and Medical Leave Act of 1993, or in the event of the State's written consent. In the event Vendor requests the State to consent to a removal, reassignment, transfer or other replacement of any Key Personnel, State may review the qualifications of the proposed substitute personnel before providing its written consent or rejecting such replacement. Any such replacement shall have substantially equivalent or better ability, experience and qualifications than any Key Personnel being replaced. Vendor shall not charge State, and the State shall not pay for any proposed replacement personnel while such replacement becomes acclimated to the Project and acquires the necessary skills and project knowledge to proceed with the work under this Agreement. In no event shall this time period exceed twenty (20) business days. Any replacement personnel approved by the State shall thereafter be deemed Key Personnel for purposes of this Agreement. If at any time during the term of this Agreement, the State becomes dissatisfied with the performance of any individual who is part of Vendor's personnel, the State shall notify Vendor of the reasons for such dissatisfaction and may request replacement of such individual. Vendor will promptly investigate such request and the reasons for such dissatisfaction and report back to the State on the corrective action Vendor believes is appropriate to address the State's concerns and dissatisfaction. If Vendor determines that such individual needs to be replaced, the replacement shall be effected promptly with a substitute individual having equal or greater ability, experience and qualifications than the departing individual.

## **SECTION 7. PROPRIETARY RIGHTS.**

Vendor agrees that all Deliverables (excluding, for the purposes of this Section 7 (i) the Software and Software modules, Software Documentation, financial reports of the Vendor, Vendor's trademarks, service marks and logos used on or with the Software and Software modules and all patents, copyrights, inventions, trade secrets and all other intellectual property rights and proprietary rights therein or related thereto, and (ii) Third Party software, if any), and all patents, copyrights, inventions, trade secrets and all other intellectual property rights and proprietary rights therein or related thereto, shall be assigned to the State or any applicable Governmental Entity. Vendor hereby irrevocably transfers, assigns and conveys all of its right, title and interest in and to such Deliverables and all of its intellectual property rights and proprietary rights therein or related thereto to the State and any applicable Governmental Entity. To the extent any Affiliate owns or possesses any right, title or interest in and to such Deliverables and intellectual property and proprietary rights therein and thereto, Vendor shall ensure that such Affiliate will irrevocably assign all of its right, title and interest therein and thereto to the State or to any applicable Governmental Entity. Vendor represents and warrants to its knowledge, that the State and Governmental Entities shall acquire good and clear title to such Deliverables, free from any claims, liens, security interests, encumbrances or other rights or interests of Vendor or of any Third Party. Vendor agrees to assist the State or a Governmental Entity, as applicable, in obtaining copyright or patent registration of the Deliverables in the United States and any other countries; specifically, Vendor agrees to execute any documents, certificates, or other papers deemed necessary by the State or applicable Governmental Entity to register its rights, and to cooperate, at no expense to Vendor, in any other reasonable requests necessary to transfer, assign and convey such rights. The State and Governmental Entities may have the right to obtain and hold copyrights, patents or such other registrations or intellectual property protections as may be desirable or appropriate to the subject matter, and any extensions or renewals thereof. Vendor agrees to, and shall ensure that any Affiliate required to make an assignment as provided above agrees to, execute all papers reasonably necessary to secure United States or foreign country copyrights and patents, and to transfer or cause to transfer to the State or any applicable Governmental Entity all of its right, title and interest in and to such Deliverables. Vendor and its Affiliates also agree to waive and not assert any moral rights they may have with regard to such Deliverables. The Vendor and its Affiliates shall not retain any property interests or other rights in and to such Deliverables and shall not use such Deliverables, in whole or in part, for any purpose, without the prior written consent of the State or the applicable Governmental Entity, except as provided in this Agreement. As the owner of such Deliverables, the State or any applicable Governmental Entity may: (i) adapt, change, modify, edit or use the Deliverables as the State or the Governmental Entity sees fit, including in combination with the works of others, prepare derivative works based on the Deliverables, and publish, display and distribute throughout the world any Deliverable(s) in any medium, whether now known or later devised, including, without limitation, any digital or optical medium, and (ii) make, use, sell, license, sublicense, or lease the Deliverables and any intellectual property rights therein or related thereto without payment of additional compensation to Vendor. Vendor makes no warranties with respect to any such derivative works. Excluding the Vendor's name, trademarks and service marks and Vendor's logos used in connection with its services and the

Software, all Network trade names, trademarks, logos and other identifiers, Internet uniform resource locators, Internet addresses and e-mail addresses obtained or developed pursuant to the Agreement shall, as between Vendor and the State, be the property of the State or any applicable Governmental Entity. Vendor is granted a license for the duration of this Agreement to use such items solely in furtherance of its performance under this Agreement. The State agrees that the Vendor shall have a perpetual, royalty free license to use the Deliverables in performing services for other states. Upon termination of this Agreement by the State pursuant to Section 10.1 hereof, the perpetual license granted to Vendor pursuant to this Section 7 shall terminate, and Vendor shall immediately cease using all such Deliverables. The State agrees that all Software and Software Modules, Software Documentation, financial reports of the Vendor, Vendor's name, trademarks, service marks and logos used on or with the Software and Software modules and all patents, copyrights, inventions, trade secrets and all other intellectual property rights and proprietary rights therein or related thereto, shall remain the property of the Vendor. For purposes of this Section 7, Deliverables shall be deemed to include any and all Documentation, designs, copy, artwork, data, information, graphics, images, processes, inventions, techniques, materials, plans, papers, forms, reports, studies, devices, modifications, content, concepts, and all other tangible and intangible works, materials and property of every kind and nature that are embodied in or a part of the Deliverables (except for those Deliverables excluded in the first sentence of this Section 7).

## **SECTION 8. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

**8.1** Vendor represents and warrants that during the term of this Agreement, and for a period of one hundred eighty (180) days following the expiration of this Agreement (the "Warranty Period"), the Deliverables shall: (i) be free from material Deficiencies; and (ii) meet, conform to and operate in accordance with all applicable Specifications and in accordance with this Agreement. The Vendor shall, at its expense, repair, correct or replace any Deliverable that contains or experiences material Deficiencies or fails to meet, conform to or operate in accordance with Specifications at no cost to the State promptly upon receiving notice of such Deficiencies or failures from the State. In the event Vendor is unable to satisfactorily repair, correct or replace such Deliverables, Vendor will refund to the State the fees or other amounts paid by the State for such Deliverables and any services related thereto. The foregoing shall not constitute an exclusive remedy under this Agreement, and the State shall be entitled to pursue any other available contractual, legal or equitable remedies. Vendor will be available at all reasonable times to assist the State with questions, problems and concerns about the Deliverable; inform the State promptly of any known Deficiencies in any Deliverables; repair and correct any Deliverables not performing in accordance with the warranties contained in this Agreement, notwithstanding that the State may have provided notice of Acceptance with respect to such Deliverable; and provide the State with all necessary materials with respect to such repaired or corrected Deliverable. This warranty shall be void with respect to any Deliverable to which the State, its employees or Authorized Contractors (as defined in the Software License Agreement) makes any unauthorized changes, enhancements, or modifications. In no event shall Vendor be liable for any unauthorized enhancements or modifications to the Software made by the State or its Authorized Contractors, or for any changes made by the State or its Authorized Contractors to the State's Application and/or Production Environments on which the Software is running. State acknowledges that no warranty is provided with respect to any such enhancements, modifications, or changes. Vendor is not responsible for correcting any problems with errors or disabling devices in the Software caused by State or its Authorized Contractors, or required as a result of any changes made by State or its Authorized Contractors to State's Application and/or Production Environments on which the Software is running.

**8.2** Vendor represents and warrants that: (a) it is the owner or a licensee of the Deliverables (excluding for the purposes of this Section, any Third Party software) and all intellectual property rights in and to such Deliverables, including, as applicable, copyrights, trademarks, trade secrets, trade dress, and/or patent rights; (b) it owns, possesses, holds, and has received all rights, permits, permissions, licenses and authority necessary to provide the Services and Deliverables hereunder and to grant and convey the benefits, licenses and other rights granted or conveyed to the State hereunder without violating any rights of any Third Party; and (c) the Deliverables shall be wholly original with and prepared solely by Vendor, or Vendor has otherwise secured all applicable interests, rights, licenses, permits or intellectual property rights therein or related thereto. For purposes of this Section 8.2, Deliverables shall be deemed to include any and all Documentation, designs, copy, artwork, data, information, graphics, images, processes, inventions, techniques, materials, plans, papers, forms, reports, studies, devices, modifications, content, concepts, and all other tangible and intangible works, materials and property of every kind and nature that are embodied in or a part of the Deliverables (excluding Third Party Software). The State represents

and warrants that it owns, possesses, holds, and has received all rights, permits, permissions, licenses and authority necessary to provide the State Property and the State Application Environment provided or made available by the State to Vendor in connection with Vendor's performance hereunder.

**8.3** Vendor represents and warrants that (i) the Deliverables (excluding for the purposes of this section Third Party software, if any) and all intellectual property rights in and to such Deliverables provided by or on behalf of Vendor in connection with this Agreement; and (ii) the State's or Governmental Entity's use of, or exercise of any rights with respect to, such Deliverables in accordance with any applicable limitations expressed herein, do not and shall not misappropriate a trade secret or infringe upon any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any Third Party. Vendor further represents and warrants there is no pending or, to its knowledge, threatened claim, litigation or action that is based on a claim that the Deliverables, infringe, misappropriate or violate an intellectual property right, proprietary right or personal right of a Third Party. Vendor shall inform the State in writing immediately upon becoming aware that the State's or any Governmental Entity's use of, or exercise of any rights with respect to, any Deliverable in accordance with applicable limitations expressed herein may give rise to a claim of infringement or violation of an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret of a Third Party. If such a claim arises, then Vendor shall upon the mutual agreement of the parties; (i) procure for the State or any Governmental Entity specified by the State the right or license to continue to use the Deliverable at issue; (ii) replace such Deliverable with a functionally equivalent or superior Deliverable free of infringement or misappropriation; (iii) modify or replace the affected Deliverable with a functionally equivalent or superior Deliverable free of infringement or misappropriation; or (iv) accept the return of the Deliverable at issue and refund to the State all fees, charges or other amount paid with respect to such Deliverable. This remedy shall be in addition to and not exclusive of other remedies available to the State and Governmental Entities and shall survive termination of this Agreement. For purposes of this Section 8.3, Deliverables shall be deemed to include any and Documentation, designs, copy, artwork data, information, graphics, images, processes, inventions, techniques, materials, plans, papers, forms, reports, studies, devices, modifications, content, concepts, and all other tangible and intangible works, materials and property of every kind and nature that are embodied in or a part of the Deliverables (excluding Third Party Software).

**8.4** Vendor represents, warrants and covenants that all services to be performed under this Agreement shall be performed in a professional, competent, diligent and workmanlike manner by knowledgeable, trained and qualified personnel, all in accordance with the terms and Specifications of this Agreement and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Agreement, the parties agree that the applicable specification shall be the generally accepted industry standard. So long as the State notifies Vendor of any services performed in violation of this standard, Vendor shall re-perform the services at no cost to the State, such that the services are rendered in the above-specified manner, or if the Vendor is unable to perform the services as warranted, Vendor shall reimburse the State any fees or compensation paid to Vendor for the unsatisfactory services. The SOW under which the Deliverable is provided will identify the particular fees and payment with respect to such Deliverable, and the State will use such number to determine the appropriate amount for which to request reimbursement.

**8.5** Vendor represents, warrants and covenants that it has no interest and shall not acquire any direct or indirect interest that would conflict in any manner or degree with the performance of its obligations under this Agreement.

**8.6** Vendor represents and warrants that the Deliverables will comply with any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Agreement, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

**8.7** Vendor covenants that it shall not advertise to or solicit business unrelated to the Network from persons transacting business with the State or any Governmental Entity using any State Property furnished by or on behalf of the State in connection with this Agreement nor use same for any purposes other than fulfilling its obligations under this Agreement, except as otherwise expressly agreed. Additionally, by way of illustration and not of limitation, Vendor shall not sell, give, transfer or use the identities and/or addresses of persons transacting business with the

State or any Governmental Entity to compile a mailing list or to solicit business unrelated to the Network or to market products or services unrelated to the Network, directly or indirectly, except as expressly allowed in this Agreement.

**8.8** Vendor covenants that it will comply with and adhere to all information technology standards specified by the State or any other Governmental Entity, including all technical and security standards, procedures and protocols.

**8.9** Vendor represents, warrants and covenants that it will meet the requirements of the State as identified in the RFP and that all Deliverables shall satisfy such requirements of the RFP and its proposal in all material respects.

**8.10** Vendor is not in arrears with respect to the payment of any monies due and owing the State or any department, agency or other Governmental Entity thereof, including but not limited to the payment of taxes and employee benefits, and it will not become so during the Term of this Agreement, or any extensions thereof.

**8.11** Vendor represents, warrants and covenants that all Documentation will accurately reflect the operation of any Deliverable(s) to which the Documentation pertains and will enable the State, assuming a reasonable level of competency, to use, such Deliverable(s) fully and completely, and upon receipt of Source Code, to modify and maintain such Deliverables. Documentation provided for Third Party hardware and Third Party software shall be that limited to that which is available from the Third Party provider.

**8.12** Vendor's warranties provided in this Section 8 are in addition to and not in lieu of any other warranties provided in this Agreement. All warranties provided for in this Agreement shall be cumulative, shall be deemed consistent and not in conflict, are intended to be given full force and effect and to be interpreted expansively to give the broadest warranty protection to the State.

## **SECTION 9. INDEMNIFICATION.**

**9.1** Vendor and its successors and permitted assigns shall defend, protect, indemnify and hold harmless the State, Governmental Entities and their employees, officers, board members, agents, representatives, and officials ("Indemnitees") from and against any and all claims, actions, suits, liabilities, damages, losses, settlements, demands, deficiencies, judgments, costs and expenses (including, without limitation, the reasonable value of time of the Attorney General's Office and the costs, expenses and attorney fees of other counsel retained by any Indemnitee) directly or indirectly related to, resulting from, or arising out of this Agreement, including but not limited to any claims related to, resulting from, or arising out of:

**9.1.1** Any violation or breach of any term or condition of this Agreement by or on behalf of Vendor, including, the furnishing or making by Vendor of any statement, representation, warranty or certification in connection with this Agreement, the RFP or the Proposal that is false, deceptive, or materially incorrect or incomplete; or

**9.1.2** Any act or omissions of Vendor, including, without limitation, any negligent acts or omissions, intentional or willful misconduct, or unlawful acts of Vendor, its officers, employees, agents, board members, subsidiaries, Affiliates, contractors or subcontractors; or

**9.1.3** Vendor's or any subcontractor's performance or attempted performance of this Agreement or of any subcontract related to the performance of this Agreement; or

**9.1.4** Failure by Vendor or its employees, agents, officers, directors, subsidiaries, Affiliates, contractors or subcontractors to comply with any applicable local, state, federal and international laws, rules, ordinances and regulations; or

**9.1.5** Any act, omission or failure by Vendor or its employees, agents, officers, directors, contractors or subcontractors that results in liability to or a claim against an Indemnitee arising out of or relating to the Federal Driver's Privacy Protection Act, 18 U.S.C. Section 2721-2725, Iowa Code Section 321.11, and



administrative rules promulgated by DOT relating to release of records and Driver Privacy Protection, including, without limitation, 761 Iowa Admin. Code Chapters 610 and 611, unless such act or omission directly results from Vendor's strict compliance with a procedure, form, action or instruction expressly mandated, required or provided by the State; or

**9.1.6** Any failure by Vendor or its employees, agents, officers, directors, contractors or subcontractors to make all reports, payments and withholdings required by Federal and State law with respect to Social Security, worker's compensation, employee income and other taxes, fees or costs required by Vendor to conduct business in the State of Iowa; or

**9.1.7** Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights or personal rights of any Third Party, including any claim that any Deliverable (excluding any Third Party software or Third Party hardware or materials furnished by or on behalf of the State to the Vendor in connection with this Agreement) or any use thereof (or the exercise of any rights under this Agreement or the Software License Agreement with respect thereto) infringes, violates or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any Third Party.

The State will provide Vendor with notice of any such claim or other circumstance giving rise to Vendor's obligation to defend, indemnify and hold harmless the State.

**9.2** Vendor's duties as set forth in this Section 9 shall survive the termination of this Agreement and shall apply to all acts or omissions taken or made in the performance of this Agreement regardless of the date any potential claim is made or discovered by the State or any other Indemnatee.

## **SECTION 10. DEFAULT AND TERMINATION.**

**10.1 Termination for Cause by the State.** The State may terminate this Agreement, or cancel the provision of any specific Deliverables, upon written notice for the breach by Vendor of any material term, condition or provision of this Agreement, if such breach is not cured within the time period specified in the State's notice of breach (in any event not less than ten (10) days) or any subsequent notice or correspondence delivered by the State to Vendor, provided that cure is feasible. In addition, the State may terminate this Agreement or the provision of any specific Deliverables effective immediately without advance notice and without penalty for any of the following reasons:

**10.1.1** Vendor furnished any statement, representation, warranty or certification in connection with this Agreement, the Software License Agreement, the RFP or the Proposal that is false, deceptive, or materially incomplete;

**10.1.2** Vendor or any of Vendor's officers, directors, employees, agents, subsidiaries, Affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith related to the performance of this Agreement;

**10.1.3** Any intentional or negligent act or omission by Vendor or Vendor's Affiliates, employees, agents, officers, directors, contractors or subcontractors is a cause of or results in unauthorized access to, or disclosure or use of, any Confidential Information of the State or any Governmental Entity; or

**10.1.4** Vendor terminates or suspends its business, or Vendor has failed to comply with any applicable international, federal, state or local laws, rules, ordinances, regulations or orders in connection with its performance of this Agreement;

**10.1.5** Dissolution of Vendor or any Vendor Affiliate that owns a controlling interest in or otherwise controls Vendor, or revocation, termination, or forfeiture of Vendor's corporate existence or good standing in Iowa without assignment to a successor acceptable to the State, in its sole discretion;

**10.1.6** Vendor has engaged in conduct that has exposed the State or any Governmental Entity to material liability, as reasonably determined by the State;

**10.1.7** Vendor infringes or violates any patent, trademark, copyright, trade dress or any other intellectual property right or proprietary right, or Vendor misappropriates a trade secret; or

**10.1.8** Any of the following has been engaged in by or occurred with respect to Vendor or any corporation, shareholder or entity having or owning a controlling interest in Vendor:

**10.1.8.1** Commencing or permitting a filing against it which isn't discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;

**10.1.8.2** Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;

**10.1.8.3** Making an assignment for the benefit of creditors;

**10.1.8.4** Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Vendor's performance of its obligations under this Agreement or the Software License Agreement; or

**10.1.8.5** Taking any action to authorize any of the foregoing.

The State's right to terminate this Agreement shall be in addition to and not exclusive of other remedies available to the State, and the State shall be entitled to exercise any other rights and pursue any remedies available to it, including in law, at equity or otherwise.

## **10.2 Termination for Reasons Other Than Cause.**

**10.2.1** Following ninety (90) days written notice, the State may terminate this Agreement for convenience without the payment of any penalty or incurring any further obligation to Vendor, other than transition fees, if applicable. Termination can be for any reason or no reason at all.

**10.2.2** Either party may terminate this Agreement upon providing not less than thirty (30) days written notice to the other party in the event DOT decides to discontinue providing online access to Certified Driver Operating Record Abstracts or any of its records or information through the Network. Vendor agrees to provide any transition assistance as may be requested by the State consistent with Section 4.8. Notwithstanding the foregoing, in the event the State identifies an alternate source of funds to compensate Vendor under this Agreement to the mutual satisfaction of Vendor and State, then the parties will execute

an amendment to this Agreement, and this right of termination shall not apply. The last calculated “baseline average” as determined in Section 5.9, shall serve to determine the adequacy of the alternate funding. Nothing in Section 10.2.2 shall affect any other funding available through other Statements of Work attached to this Agreement.

**10.2.3** The State may terminate this Agreement upon providing not less than thirty (30) days written notice to the Vendor in the event the DOT MOU is terminated or cancelled for any reason, mutual agreement of the parties to the MOU, or for the State’s default under such MOU, unless such default does not arise out of or relate to a failure to perform or breach by, or act or omission of, Vendor or Vendor’s employees, agents, Affiliates, contractors or subcontractors related to Vendor’s performance under this Agreement.

**10.3 Termination Due to Lack of Funds or Change in Law.** Notwithstanding anything in this Agreement to the contrary, and subject to the limitations set forth below, the State shall have the right to terminate this Agreement without penalty and without any advance notice as a result of any of the following:

**10.3.1** The legislature or governor fail, in the sole opinion of the State, to appropriate funds sufficient to allow the State or any Governmental Entity to either meet its obligations under this Agreement or to operate as required; or

**10.3.2** If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the State or a Governmental Entity to make any payment hereunder or under the Software License Agreement are insufficient or unavailable for any other reason as determined by the State in its sole discretion; or

**10.3.3** If the State’s, IowAccess’, or any Governmental Entity’s authorization to conduct its business or engage in activities or operations related to the subject matter of this Agreement is withdrawn or materially altered or modified; or

**10.3.4** If the State’s, IowAccess’, or any Governmental Entity’s duties, responsibilities or programs are materially altered or modified such that it may not meet any of its obligations under this Agreement; or

**10.3.5** If there is a decision of any court, administrative law judge, or an arbitration panel, or any law, rule, regulation or order is enacted, promulgated or issued that materially or adversely affects: (i) the State’s or a Governmental Entity’s ability to fulfill any of its obligation under this Agreement, (ii) the performance by ITE, DOT or any other Governmental Entity under any Memorandum of Understanding related to this Agreement, or (iii) IowAccess’ operations.

The State shall provide Vendor with written notice of termination pursuant to this section.

**10.4 Limitation of the State’s Payment Obligations.** In the event of termination of this Agreement for any reason by either party (except for termination by the State pursuant to Section 10.1), the State shall only be obligated to pay those amounts, if any, due and owing to Vendor for Services actually and satisfactorily rendered up to and including the date of termination of the Agreement and for which the State is obligated to pay pursuant to this Agreement, unless the State elects to receive transition assistance. Payment will be made only upon submission of invoices and proper proof of Vendor’s claim and only to the extent of available funds in the IowAccess Revolving Fund. Notwithstanding the foregoing, this Section 10.4 in no way limits the rights or remedies available to the State or any Governmental Entity and shall not be construed to require the State to pay any compensation or other amounts hereunder in the event of Vendor’s breach of this Agreement or any compensation or amounts withheld by the State in accordance with the terms of this Agreement. In no event shall the State or any Governmental Entity be liable for any of the following:

**10.4.1** The payment of unemployment compensation to Vendor’s employees;

**10.4.2** The payment of workers' compensation claims, which occur during the Agreement or extend beyond the date on which the Agreement terminates;

**10.4.3** Any costs incurred by Vendor in its performance of the Agreement, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Agreement;

**10.4.4** Any damages or claims for the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Agreement or the Software License Agreement;

**10.4.5** Any taxes Vendor may owe in connection with the performance of this Agreement or the Software License Agreement, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

The provisions of sections 10.4.3 and 10.4.4 shall not apply to Vendor's remedies in the event the State commits a material breach in its obligations with respect to confidentiality of Vendor's trade secrets under Section 12.3 of this Agreement, or with respect to the limitations on use and disclosure of the source code under Section 9.2.2 of the Software License Agreement.

**10.5 Vendor's Termination Duties.** Upon receipt of notice of termination, and upon the State's request, Vendor shall (except as required in the performance of transition assistance, if requested by the State):

**10.5.1** Cease work under this Agreement and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work performed under the Agreement and such other matters as the State may require;

**10.5.2** Immediately cease using and return to the State any property (including, without limitation, State Property) or materials, whether tangible or intangible, provided or furnished by or on behalf of the State or a Governmental Entity to Vendor;

**10.5.3** Comply with and fulfill the requirements and duties set forth in Sections 4.8 and 4.9;

**10.5.4** Immediately return to the State any payments made by or on behalf of the State or any Governmental Entity for Services or other Deliverables that were not rendered or provided by Vendor.

**10.5.5** Immediately deliver to the State any and all Deliverables (including State-Owned Deliverables, Source Code, object code, Software, and Documentation) for which the State has made payment (in whole or in part) that is in the possession or under the control of the Vendor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied at that time.

**10.6 Termination for Cause by Vendor.** Vendor may terminate this Agreement upon written notice for the breach by the State of any material term, condition or provision of this Agreement, if such breach is not cured within sixty (60) days of the State's receipt of Vendor's written notice of breach.

**10.7 Termination for Lack of Funds.** Vendor may terminate this Agreement upon written notice to the State if the Value-added Service Fees generated through the DOT Application are no longer available and the State fails, within sixty (60) days after its receipt of Vendor's written notice, to identify an alternative source of funds to compensate Vendor under this Agreement at the last calculated "baseline average" as determined in Section 5.9.

## **SECTION 11. INSURANCE.**

**11.1 Insurance Policies.** Vendor shall maintain in full force and effect, with insurance companies of recognized responsibility, at its expense, insurance covering its work of the type and in amounts required by this Agreement. Vendor's coverages set forth below shall apply to covered claims arising during Vendor's performance of this Agreement. All such insurance policies shall remain in full force and effect for the entire term of this Agreement and shall not be canceled or modified to the State's detriment (e.g., a decrease in coverage amounts) without the State's prior written consent.

**UNLESS OTHERWISE REQUESTED BY THE STATE, VENDOR SHALL, AT ITS SOLE COST, CAUSE TO BE ISSUED AND MAINTAINED IN EFFECT DURING THE ENTIRE TERM OF THIS AGREEMENT NOT LESS THAN THE INSURANCE COVERAGES SET FORTH BELOW EACH NAMING THE STATE, ITE AND ANY GOVERNMENTAL ENTITY SPECIFIED IN THE STATEMENT OF WORK AS AN ADDITIONAL INSURED OR LOSS PAYEE, AS APPLICABLE:**

Type of Insurance	LIMIT	AMOUNT
General Comprehensive Liability	General Aggregate	\$5 million
	Prod./Comp. Aggregate	\$2 million
	Personal injury per person	\$1 million
	Property damage per occurrence	\$1 million
Workers' Compensation and Employer Liability	As Required by Iowa law	

**11.2 Claims Provision.** All insurance policies required by this Agreement must provide coverage for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy.

**11.3 Certificates of Coverage.** Certificates of the insurance described above shall be submitted to the State within thirty (30) days after the effective date of this Agreement and shall be subject to approval by the State. Vendor shall provide certificates for the coverage required. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least thirty (30) days prior written notice to the State.

**11.4 No Limitation of Liability.** Acceptance of the insurance certificates by the State shall not act to relieve Vendor of any obligation under this Agreement. All insurance policies and certificates shall be issued only by companies authorized to transact business in the State of Iowa. It shall be the responsibility of Vendor to keep the respective insurance policies and coverages current and in force during the term of this Agreement.

**11.5 Waiver of Subrogation Rights.** Vendor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the State, ITE and any specified Governmental Entity excluding, however, with respect to any criminal insurance required under this Agreement, provided Vendor furnishes the State with written evidence satisfactory to the State that Vendor's criminal insurance carrier will not waive subrogation rights. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the State.

## **SECTION 12. CONTRACT ADMINISTRATION.**

**12.1 Independent Contractor.** Vendor is an independent contractor performing services for the State and Governmental Entities. Vendor shall not hold itself out as an employee or agent of the State or any Governmental Entity. Vendor agrees that it shall not make any representation, warranty, guaranty, covenant or promise to any Third Party or enter into any contract, whether written or oral, on behalf of the State or any Governmental Entity. The State shall not provide Vendor with office space, support staff, equipment or tools, or supervision except as otherwise provided in this Agreement. Vendor shall be responsible for providing and paying for all labor, materials, tools, equipment, hardware, software, and other items required or needed to perform its obligations under this Agreement. Vendor shall be solely responsible for recruitment, hiring, management or, training, discipline and termination, and all other indicia of an employer, including payment of salaries, benefits and other elements of employee compensation and benefits during the term of this Agreement. Neither Vendor nor any of its staff are

eligible for any State employee benefits, including, but not limited to, retirement benefits, insurance coverage or the like. Vendor and its staff shall not be considered employees of the State for federal or State tax purposes. The State shall not withhold taxes on behalf of Vendor, unless required by law. Vendor shall be responsible for payment of all taxes in connection with any income earned from performing this Agreement.

## **12.2 Compliance with the Law and Regulations.**

**12.2.1** Vendor and its employees, agents, officers, directors, and subcontractors shall comply with all applicable federal, state, foreign and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement, including, without limitation, all laws applicable to the prevention of discrimination in employment, the administrative rules of the Iowa Department of Management or the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action, laws relating to prevailing wages, occupational safety and health standards, prevention of discrimination in employment, payment of taxes, gift laws, lobbying laws, laws relating to the use of targeted small businesses as subcontractors or suppliers, and laws, rules and regulations relating to the privacy, confidential treatment, release, disclosure or other handling or transmission of driver's records, motor vehicle records, personal information and Confidential Information of State and Governmental Entities (including, without limitation, the Federal Driver's Privacy Protection Act, 18 U.S.C. Sections 2721-2725, Iowa Code Section 321.11, and all administrative rules relating to release of such records, information and Driver Privacy Protection, including 761 Iowa Admin. Code Chapters 610 and 611). Vendor shall comply with any applicable reporting and compliance standards of the Department of Management regarding equal employment. Vendor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 Iowa Admin. Code Chapter 4.

**12.2.2** Vendor shall give notice to any labor union with which it has a bargaining or other agreement of its commitment under this section of the Agreement. Vendor shall make the provisions of this section a part of its contracts with any approved subcontractors providing goods or services related to Vendor's performance of this Agreement.

**12.2.3** The State may consider the failure of Vendor to comply with this section as a material breach of this Agreement.

**12.3 Confidentiality.** Vendor and its employees, agents, approved contractors and subcontractors may be furnished with or have access to State Property to the extent necessary to carry out its responsibilities under the Agreement. Such State Property shall at all times remain the property of the State and/or any applicable Governmental Entity. Vendor shall preserve the confidentiality of State Property disclosed or furnished to Vendor that is marked or otherwise clearly identified as Confidential Information and shall maintain procedures for safeguarding such property. Vendor must designate one individual who shall remain the responsible authority in charge of all State Property collected, used, or disseminated by Vendor in connection with the performance of this Agreement. Vendor shall accept responsibility for providing adequate supervision and training to its agents, employees and any approved contractors and subcontractors to ensure compliance with the terms of this Agreement. Vendor and its employees, agents, and any approved contractors or subcontractors may be required at the State's request to execute confidentiality or non-disclosure agreements to obtain access to certain State Property.

Vendor and its employees, agents, approved contractors and subcontractors shall not disclose, publish, reproduce, disseminate or otherwise use any State Property received, collected, maintained, or used in the course of performance of the Agreement that is marked or otherwise clearly identified as Confidential Information except as permitted by the State to enable Vendor to perform its obligations under this Agreement and except as required, authorized or compelled by or pursuant to applicable laws, rules or regulations, judicial proceedings, subpoena, summons, order, ruling or other legal or administrative processes, either during the term of this Agreement or thereafter. Vendor agrees to return any and all State Property received, collected, accessed, maintained, created, or used in the course of the performance of the Agreement in whatever form it is maintained promptly at the request of the State. In the event that Vendor receives a request for access to any State Property, Vendor shall immediately communicate such request to the State for consideration and handling. Vendor shall provide notice to the State of

any other circumstances in which access to or disclosure of Confidential Information of the State or a Governmental Entity is being sought or required.

Vendor shall indemnify the State and all other Indemnitees in the manner provided for indemnification elsewhere in this Agreement for a violation of this section. The State may consider the failure of Vendor to comply with this section as a material breach of this Agreement. Vendor acknowledges that the disclosure of any Confidential Information of the State will immediately give rise to continuing irreparable injury to the State and others that is inadequately compensable in damages at law. Accordingly, and without prejudice to any other remedy available to the State, the State will be entitled to injunctive relief. Vendor's obligations under this section shall survive expiration or termination of this Agreement.

Except as provided or contemplated herein, and subject to applicable federal, state or international laws, rules, or regulations (including Iowa Code Chapter 22 and 11 Iowa Admin. Code Chapter 4) the State shall not disclose to Third Parties (excluding Governmental Entities that receive Deliverables under this Agreement) any information of Vendor that is clearly marked or otherwise clearly identified by Vendor as Confidential Information without the prior written consent of Vendor. Vendor shall limit such identification to information it reasonably believes is entitled to confidential protection pursuant to such applicable laws, rules and regulations. Notwithstanding the foregoing, the State may disclose Confidential Information pursuant to legal, judicial, or administrative proceedings, subpoena, summons, order, ruling or other legal or administrative processes, or applicable laws, rules or regulations. In such event, the State shall provide prompt notice to Vendor of the circumstances giving rise to the State's disclosure. Vendor acknowledges that the State is subject to Iowa Code Chapter 22 and other laws, rules and regulations governing public records. If a request is made to view or access Vendor's Confidential Information pursuant to such laws, rules or regulations, the State will promptly notify Vendor of the request. Subject to the foregoing, the State will use its reasonable efforts to protect Vendor's Confidential Information provided such information can reasonably be determined to constitute a confidential record under Iowa Code Section 22.7 or other applicable laws, rules or regulations. In the event the State reasonably determines that such information is not a confidential record, the State may release such information unless Vendor files an action in Polk County District Court to prevent the release of the requested information within ten (10) days of receiving notice from the State. For purposes of this Section 12.3 the source code for the Software shall be considered Confidential Information of Vendor. State acknowledges that the disclosure of any Confidential Information of the Vendor in violation of this Section 12.3 will immediately give rise to continuing irreparable injury to the Vendor or others that is inadequately compensable in damages at law. Accordingly and without prejudice to any other remedy available to Vendor, the Vendor will be entitled to seek injunctive relief. State's obligations and Vendor's remedies under this Section 12.3 shall survive termination of this Agreement.

**12.4 Amendments.** This Agreement may be amended in writing from time to time by mutual consent of the parties. Both parties must execute all amendments to this Agreement.

**12.5 Choice of Law and Forum.**

**12.5.1** This Agreement shall be governed in all respects by, and construed in accordance with, the laws of the state of Iowa, without giving effect to the choice of law principles thereof.

**12.5.2** Any and all litigation or actions commenced in connection with this Agreement, including after expiration or termination of this Agreement, shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. However, if jurisdiction is not proper in the Iowa District Court for Polk County, but is proper only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division. Vendor irrevocably: (i) consents and agrees that any legal or equitable action or proceeding arising under, in connection with or arising out of this Agreement shall be brought and maintained exclusively in the aforesaid courts; (ii) submits to and accepts, with respect to any such action or proceeding, for it and in respect of its properties and assets regardless of the physical or legal situs thereof, generally and unconditionally, the jurisdiction of the aforesaid courts; and (iii) waives any defense to such jurisdiction based on forum non conveniens or otherwise.

**12.5.3** This provision shall not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the State, including sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise.

**12.5.4** Vendor irrevocably consents to service of process by certified or registered mail addressed to the Vendor's designated agent. The Vendor appoints CT Corporation at 2222 Grand Avenue, Des Moines, IA 50312, as its agent to receive service of process. If for any reason the Vendor's agent for service is unable to act as such or the address of the agent changes, Vendor shall immediately appoint a new agent and provide the State with written notice of the change in agent or address. Any change in the appointment of the agent or address will be effective only upon actual receipt by the State. Nothing in this provision will alter the right of the State to serve process in any other manner permitted by law.

**12.5.5** This Section 12.5 shall survive termination of this Agreement.

**12.6 Assignment and Delegation.** This Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For purposes of construing this clause, a transfer of a controlling interest in Vendor, a merger, sale or consolidation of Vendor, or a sale of substantially all of Vendor's assets shall be considered an assignment. Vendor agrees that it shall provide the State with the earliest possible advance notice of any proposed sale or transfer of any controlling interest in or substantial assets of Vendor and of any proposed merger, sale or consolidation of Vendor.

**12.7 Use of Third Parties.** None of the Services or Deliverables to be provided by Vendor pursuant to this Agreement shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership, or group of individuals or Third Party without the prior written consent of the State. The State's consent shall not be deemed in any way to provide for the incurrence of any obligation of the State in addition to the total fixed price agreed upon in this Agreement. Any subcontract to which the State has consented shall be in writing shall in no way alter the terms and conditions of this Agreement. All subcontracts shall be subject to the terms and conditions of this Agreement and to any conditions of approval the State may deem necessary. Vendor covenants that any subcontract that it enters into shall contain a provision advising the subcontractor that it shall have no lien and no legal right to assert control over any funds held by the State, and the subcontractor shall acknowledge that no privity of contract exists between the subcontractor and the State and that Vendor is solely liable for any and all payments which may be due to the subcontractor pursuant to its subcontract with Vendor. Vendor shall indemnify, defend and hold harmless the State and other Indemnitees from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever arising as a result of Vendor's breach of any subcontract in which it enters, including Vendor's failure to pay any and all amounts due by Vendor to any subcontractor. The payment of a claim in the manner authorized in this paragraph shall not relieve Vendor or its surety from obligation with respect to any unpaid claims. Any subcontracts shall contain provisions for State access to the subcontractor's books, documents, and records and for inspections of work, as required of Vendor herein. No subcontract or delegation of work shall relieve or discharge Vendor from any obligation, provision, or liability under this Agreement. Vendor shall remain responsible for such performance and shall be fully responsible and liable for all acts or omissions of any such contractor or subcontractor related to this Agreement. Any action of a subcontractor related to this Agreement, which, if done by Vendor, would constitute a breach of this Agreement, shall be deemed a breach by Vendor and have the same legal effect.

**12.8 Integration.** This Agreement and the Software License Agreement represents the entire Agreement between the parties concerning the subject matter hereof, and neither party is relying on any representation that may have been made which is not included in this Agreement or the Software License Agreement. The State shall not be bound by any "shrink-wrap" agreement, "click-wrap" agreement or "sneak-wrap" agreement (or any other similar agreement) that may accompany or relate to a Deliverable. Vendor acknowledges that it has thoroughly read this Agreement and all related schedules, exhibits, and other documents and has had the opportunity to receive competent advice and counsel necessary for it to form a complete understanding of all rights and obligations herein



and to accept same freely and without coercion of any kind. Accordingly, this Agreement shall not be construed or interpreted against the State on the basis of draftsmanship or preparation thereof.

**12.9 Obligation Beyond Agreement Term.** This Agreement shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Agreement. The obligations under this Agreement which by their nature would continue beyond the termination of this Agreement, including, by way of illustration and not by limitation, those obligations set forth in Sections 4.3, 4.5, 4.8, 4.9, 4.11, 4.12, 5.1 - 5.8, 7, 8.1 - 8.3, 8.6, 8.7, 9, 10.4, 10.5, 11, 12.2, 12.3, 12.5, 12.7, 12.9, 12.12 - 12.15, 12.17, 12.18, 12.22 - 12.25, 12.28, 12.31 shall survive termination of this Agreement and/or termination of Support.

**12.10 Supersedes Former Agreements.** This Agreement and the Software License Agreement supersedes all prior agreements between the parties that primarily relate to the Network.

**12.11 Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of the State and Vendor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto. No term or condition of this Agreement shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

**12.12 Notices.**

**12.12.1 Notices.** Notices under this Agreement shall be in writing and delivered to the representative of the party to receive notice (identified below) at the address of the party to receive notice as it appears below or as otherwise provided for by proper notice hereunder. The effective date for any notice under this Agreement shall be the date of delivery of such notice (not the date of mailing) which may be effected by certified U.S. Mail return receipt requested with postage prepaid thereon or by recognized overnight delivery service, such as Federal Express or UPS:

If to the State:

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

Mollie Anderson  
Attn: Director  
Hoover Building, A Level  
1305 E. Walnut  
Des Moines, IA 50319

If to Vendor:

**Iowa Interactive, LLC**

Attn: President  
500 East Court Ave.  
Suite 500 A-4  
Des Moines, IA 50309

**12.12.2** Any notice or communication sent by U.S. Mail under this Agreement shall be deemed given upon receipt as evidenced by the U.S. Postal Service return receipt card, or if sent by overnight delivery service, upon receipt as evidenced by the signature attained by the carrier.

**12.12.3** From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

**12.13 Cumulative Rights.** The various rights, powers, options, elections and remedies of the State and Governmental Entities under this Agreement shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed by law, and shall in no way affect or impair the right of the State or any Governmental Entity to pursue any other contractual, equitable or legal remedy to which they may be entitled. The election by the State or a Governmental Entity of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

**12.14 Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

**12.15 Time is of the Essence.** Time is of the essence with respect to Vendor's performance of its obligations under this Agreement. Vendor shall ensure that all personnel providing services to the State are responsive to the State's requirements and requests set forth in this Agreement.

**12.16 Authorization.** Vendor represents and warrants that it has the right, power and authority to enter into and perform its obligations under this Agreement and that it has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Vendor, enforceable in accordance with its terms.

**12.17 Successors in Interest.** All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties' hereto and their respective successors, assigns, and legal representatives.

**12.18 Records Retention and Access.** Vendor shall maintain books, documents and records that sufficiently and properly document Vendor's performance under this Agreement, including records that document all fees and other amounts charged during the term of this Agreement, for a period of at least five (5) years following the later of the date of final payment, termination or expiration of this Agreement, or the completion of any required audit. Vendor shall permit the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, at no charge, to access and examine, audit, excerpt and transcribe any pertinent books, documents, electronic or optically stored and created records or other records of Vendor relating directly or indirectly to Vendor's performance under this Agreement. Vendor shall not impose a charge or seek payment for any fee, charge, or expense associated with any audit or examination of such books, documents and records. Vendor shall require its subcontractors to agree to the same provisions of this section.

**12.19 Headings or Captions and Terms.** The section headings or captions are for identification purposes only and do not limit or construe the contents of the sections. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, references to the singular include the plural, and the word "or" has the inclusive meaning represented by the phrase "and/or." The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The words "thereof," "herein," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

**12.20 Multiple Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together shall constitute one contract binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

**12.21 Not a Joint Venture.** Nothing in this Agreement shall be construed as creating or constituting the relationship of the partnership, joint venture (or other association of any kind or agent/principal relationship), between the parties hereto. No party, unless otherwise specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon, another party to this Agreement.

**12.22 Additional Provisions.** The parties agree that if an Addendum, Rider, Schedule, Appendix or Exhibit is attached hereto by the parties, and referred to herein, then the same shall be deemed incorporated herein by reference and shall constitute a part of this Agreement.

**12.23 Further Assurances and Corrective Instruments.** The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

**12.24 Obligations of Joint Entities.** If Vendor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Agreement, and for any default of such activities and obligations.

**12.25 Force Majeure.**

**12.25.1** Neither Vendor nor the State (or any Governmental Entity) shall be liable to the other for any delay or failure of performance of this Agreement, and no delay or failure of performance shall constitute a default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by a "force majeure" and not as a result of the fault or negligence of a party. Vendor shall not be liable for any delay or failure of performance resulting solely from the State's or any Governmental Entity's delay or failure in making available State Property as required or agreed to in respect of the performance of the Services, or any failures of the State Application Environment, Production Environment or Network attributable to State Property.

**12.25.2** As used in this Agreement, "force majeure" includes acts of God, war, civil disturbance and any other causes which are beyond the control of the party affected. Failure to perform by a subcontractor or an agent of Vendor shall not be considered a "force majeure" unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Agreement. "Force Majeure" does not include financial difficulties of Vendor or any parent, subsidiary, affiliated or associated company of Vendor or claims or court orders against Vendor that restrict Vendor's ability to deliver the goods or services contemplated by this Agreement.

**12.25.3** If a "force majeure" delays or prevents Vendor's performance, Vendor shall immediately commence to use commercially reasonable efforts to directly provide alternate, and to the extent possible, comparable performance.

**12.26 Material Breaches.** The references in this Agreement to specific material breaches of this Agreement shall not be construed as implying that other breaches of this Agreement are not material.

**12.27 Taxes.** Vendor shall be responsible for paying any taxes incurred by Vendor in the performance of this Agreement. The State and State Governmental Entities are exempt from the payment of State sales and other taxes.

**12.28 Title to Property.** Title to all property, including, without limitation, State Property, furnished by or on behalf of the State or a Governmental Entity to Vendor to facilitate the performance of this Agreement shall remain the sole property of the State and any such Governmental Entity. All such property shall only be used by Vendor for purposes of fulfilling its obligations under this Agreement and shall be returned to the State upon the earliest of completion, termination, or cancellation of this Agreement or at the State's request. Vendor acknowledges that it shall acquire no interest or rights in and to such property. Except as expressly provided in this Agreement, Vendor shall not disclose or use such property for any purpose, including pledging or encumbering it, selling or using it for monetary gain, using it to compile mailing lists, solicit business or pursue other business activities, or otherwise. Title to all property purchased by Vendor, for which Vendor has been reimbursed or paid by the State under this Agreement, shall pass to and vest in the State, except as otherwise provided in this Agreement.

**12.29 Exclusivity.** This Agreement is not exclusive. During the term of this Agreement, the State may obtain similar Deliverables from others.

**12.30 Award of Related Agreements.** The State may undertake or award supplemental or successor agreements for work related to this Agreement. Vendor shall cooperate fully with other contractors, consultants and other persons who may be engaged by the State in connection with this Agreement, the Software License Agreement or with respect to any of the Deliverables, subject to any applicable limitations contained therein. Vendor will ensure that any of its contractors or subcontractors that have been approved by the State will abide by this provision.

**12.31 Sovereign Immunity.** The State and Governmental Entities do not waive sovereign immunity by entering into this Agreement and specifically retain and reserve the defense of sovereign immunity and all defenses available to them under state and federal laws, rules and regulations for any claim arising out of or related to this Agreement.

**12.32 Procurement by Other Governmental Entities.** Vendor acknowledges and agrees that State Governmental Entities may procure services and other Deliverables from Vendor under this Agreement. Any additional compensation to be paid Vendor as a result of such procurements shall be made as agreed between the Vendor and the Governmental Entity that is the recipient of such Deliverables. The parties agree that the State and ITE shall have no liability or obligation to pay any compensation, fees, costs or other amounts to Vendor in connection with any procurement of services or other Deliverables by a Governmental Entity, unless such compensation, fees, costs or other amounts are specifically agreed to by the State and ITE in writing.

**12.33 Right of Inspection.** Vendor shall allow representatives of the State, or Third Party designated by the State, to inspect its facilities and books and records at all reasonable times in order to monitor and evaluate performance of this Agreement; provided the State provides at least ten (10) days prior notice of its intent to inspect, and will ensure that Third Party designated by it to so inspect shall be subject to confidentiality provisions in Section 12.3.

**12.34 Disclaimer.** All information contained in the RFP and any appendices or attachments thereto reflect the information available to the State at the time the above-cited documents were prepared. The State does not warrant the accuracy of any such information and shall not be liable for any errors or omissions, or the results of errors or omissions, which may be discovered, at any time, to exist in those documents.

**12.35 Notification of Events.** Vendor shall notify the State in writing if any of the following has been engaged in by or occurred with respect to Vendor or any corporation, shareholder or entity having or owning a controlling interest in Vendor:

**12.35.1** Vendor files or permits the filing against it of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or

**12.35.2** Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets; or

**12.35.3** Making an assignment for the benefit of creditors; or

**12.35.4** Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Vendor's performance of its obligations under this Agreement; or

**12.35.5** An order is entered approving an involuntary petition to reorganize the business of Vendor for all or part of its property; or

**12.35.6** If a writ or warrant of attachment, execution, distraint, levy, possession or any similar process that may materially affect the operation of Vendor is issued by any court or administrative agency against all or any material portion of Vendor's property; or

**12.35.7** Taking any action to authorize any of the foregoing.

**IN WITNESS WHEREOF**, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

**State of Iowa, acting by and through the Iowa Department of Administrative Services    IOWA INTERACTIVE, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **SCHEDULE A**

### **STATEMENT OF WORK No. 01**

#### **1.1 Effective Date**

This Statement of Work is effective as of April 1, 2006.

#### **1.2 Vendor Specific Deliverables for the Vendor's DOT Application**

**1.2.1** Vendor will continue to maintain and support the Vendor's DOT Application.

**1.2.2** The only information or data to be accessed through IowaAccess using the Vendor's DOT Application are those current and future Certified Driver Operating Record Abstracts provided by the DOT.

**1.2.3** Vendor agrees that it will utilize the two methods for retrieving and providing Certified Driver Operating Record Abstracts to Users. The first being "batch" mode (multiple Certified Driver Operating Record Abstracts requests in one file). The second is "real-time" individual Certified Driver Operating Record Abstracts request. It is understood that the Vendor will be reformatting all Certified Driver Operating Record Abstracts in XML standard formats to provide greater value to the User.

For the batch mode, the Vendor shall initiate a job on the DOT's computer that passes to the DOT a file of the Vendor's Certified Driver Operating Record Abstracts requested in the format required by the DOT's Record Retrieval Application. The DOT shall execute the job and pass back to the Vendor the Certified Driver Operating Record Abstracts that result from the request and a "billing report" that indicates the number of Certified Driver Operating Record Abstracts requested, the number of requests that resulted in returned Certified Driver Operating Record Abstracts and the number of requested that results in Certified Driver Operating Record Abstracts not being found. The request for Certified Driver Operating Record Abstracts shall include but not be limited to the Driver License number, the social security number and other information necessary to make the Vendor's DOT Application and the reports function properly as agreed upon by the DOT and the Vendor. The Certified Driver Operating Record Abstracts returned to the Vendor may be further formatted by the Vendor, but will contain the information required for the Vendor to provide Certified Driver Operating Record Abstracts to the public. Vendor shall reformat the Certified Driver Operating Record Abstracts for on-line grouped (batch) searches with instant grouped (batch) file access for on-line Users 24/7.

For the real-time individual Certified Driver Operating Record Abstracts requests, the Vendor shall connect to the DOT's Record Retrieval Application with the appropriate information, format, function codes and security clearances as defined by the DOT to ensure the DOT's Record Retrieval Application can properly complete the Certified Driver Operating Record Abstracts request. The DOT's Record Retrieval Application shall return to the Vendor the results of the Certified Driver Operating Record Abstracts requested as a string of data that the Vendor will then format for the User. The Vendor will translate codes such as class, restrictions, endorsements, etc., as required from translation tables provided by the DOT. The DOT's Record Retrieval Application, when not being able to complete the Vendor's request, shall send back to the Vendor's application the reason the request could not be completed.

**1.2.4** Vendor agrees it will utilize and comply with the "DOT's Privacy Act Agreement for Request of Motor Vehicle records(s)." This is form number 431069, and all other forms, templates and materials that may be specified or required by the State, ITE, DOT and any other Governmental Entity that may receive Deliverables under the Agreement.

**1.2.5** Vendor acknowledges and agrees that DOT, and not Vendor, shall be responsible for making the original determinations concerning whether a requestor of Certified Driver Operating Record Abstracts is an authorized recipient for purposes of complying with the Federal Driver Privacy Protection Act, Iowa Code Section 321.11 and all other applicable laws, rules and regulations. Vendor further agrees to provide electronic access to Certified Driver Operating Record Abstracts for the class of Users exempt from statutory fees under Iowa Code Chapter 321A. Such electronic access shall be at no charge and without a

Value-added Service Fee even if other classes of Users may be charged Value-added Service Fees or other fees. Vendor shall receive no compensation with respect to any transaction in which a Certified Driver Operating Record Abstract is provided to a User that is exempt from the payment of statutory fees.

**1.2.6** Vendor agrees that once the DOT has made the original determination concerning whether a requestor of Certified Driver Operating Record Abstracts is an authorized User, the Vendor shall be responsible for taking reasonable, diligent efforts to ensure the requestor is the same identity as the authorized User.

**1.2.7** Vendor shall provide access to Certified Driver Operating Record Abstracts only to Users authorized by DOT.

Vendor shall provide to the DOT and ITE, without access cost, read only daily online Internet and ongoing access to the computerized log of Users and their security status for all Users accessing Certified Driver Operating Record Abstracts. The DOT must be able to sign onto Vendor's system to audit logs which record access to Certified Driver Operating Record Abstracts by Users. Online audit access to logs must be retained and available for 30 days after a transaction request has been processed by the DOT. After the online retention period has expired, Vendor shall, under the direction of the DOT, comply with the State's law on retention and access of public records. The State shall use diligence and care with respect to passwords or other access devices provided to Vendor's system. The State shall be required to comply with the security policies of the Vendor governing access to Vendor's systems.

Vendor shall retain and make available for access by DOT and the State the following data: name of User, transaction data and time, type of inquiry and access keys. Other requirements may be added by the State, ITE or DOT upon mutual agreement with the Vendor, at no cost to the State.

Vendor will provide help desk support in providing phone and e-mail assistance to Users related to the Vendor's DOT Application. Vendor shall make help desk support available during regular business days from 8:00 a.m. to 5:00 p.m.

Vendor will provide technical support to the State and DOT on a 24/7 basis for the Vendor's DOT Application and such support will be available within sixty (60) minutes from the time a request for technical support is received. The Vendor shall keep a log of all requests for technical support indicating at a minimum: time call received, caller identification (name and Governmental Entity), caller phone number (or e-mail address as applicable), description of the problem, date and time problem resolved, and corrective action taken.

Vendor shall provide, at no cost to the State, ITE or DOT, all updates and enhancements to the Vendor's DOT Application as the State may request.

Vendor shall deliver to the State or ITE, the monthly activity status report defined in Schedule B, Appendix 1 within 2 calendar weeks after the end of the month.

**1.2.8** Vendor will provide a voice telephone number for the State, DOT and ITE to report problems and adhere to the trouble ticket management processed as established by ITE.

**1.2.9** Vendor shall be responsible for all costs associated with Vendor-owned equipment and Software.

**1.2.10** Vendor agrees to comply with the terms of the DOT MOU, attached hereto.

**1.2.11** Vendor shall be responsible for loading custom application Software modifications in a test environment and meet ITE Acceptance Testing requirements as specified or approved by the State or ITE prior to the Software code being placed in production.

**1.2.12** Vendor shall notify ITE and DOT of any unauthorized access to IowAccess Network lying within or otherwise subject to Vendor's control, within two (2) hours of detection of same. Vendor shall likewise notify the DOT and ITE of any unauthorized access pertaining to Confidential Information of the State or a Governmental Entity. The notice shall contain detailed information to aid ITE and the DOT in examining the matter of unauthorized access.

**1.2.13** Vendor shall be responsible for contacting ITE and the DOT five (5) business days in advance of any proposed changes to the Vendor's DOT Application or any support provided by Vendor with respect to that application. State shall provide Vendor with five (5) business days advance notice of any proposed, routine changes to the State Application Environment, or the Network made by or on behalf of the State.

**1.2.14** Vendor's Project Manager will participate in regularly scheduled meetings with ITE and other Governmental Entities as requested by ITE. Vendor will acknowledge and serve, as provided in the Agreement, ITE, DOT and other Governmental Entities as its customer.

**1.2.15** Vendor shall only provide online access to Certified Driver Operating Record Abstracts via Vendor's DOT Application that has been approved in operation by DOT and ITE. Users shall be required to use a unique system for the User name to be assigned by Vendor consisting of not less than eight case-sensitive alphanumeric characters and a unique password that shall be different from the User name and also of not less than eight case-sensitive alphanumeric characters. The password shall be initially issued by Vendor but be capable of being reset by the User. The User shall be required to complete a written application for service. Each User request shall include a signature of a responsible party and shall comply with all other applicable State and federal laws and regulations as a condition of access. The Vendor's DOT Application shall require that each User take responsibility for issuance of User names and passwords issued under his or her authority, and shall caution that it is the responsibility of each User name/password holder to maintain the confidentiality of such User name/password information. The Vendor's DOT Application shall clearly State the User shall be responsible, both financially and legally, for all Certified Driver Operating Record Abstracts accessed using his or her User name/password. The system shall prompt the User at the fifth month, the fifth month and two weeks, and the sixth month following the initial password issuance and following each change to a password, to change his or her password. The system shall be set to deny access to any password that has not been changed within six months.

**1.2.16** Vendor shall cause the Vendor's DOT Application to display a standard use message upon initial log-on to the Vendor's DOT Application. Each User shall be required to verify compliance with said message terms. Upon subsequent log-ons, if prior verification is logged in the User's file, such message shall be displayed only, without verification. The Network shall also provide a facility for the User to change his or her indication regarding the verification. Messages shall state in understandable and clear terms what, if any, restriction(s) exist with regard to accessing the information or conducting the transaction, and that the individual accessing the information or conducting the transaction must accept any and all such restriction(s) before proceeding with the authorized access or transaction. Moreover, in addition to any overall messages, the Network shall include any language or restriction required by state or federal laws and regulations for information from or transactions with a Governmental Entity. The standard use message shall be updated to comply with any amendments to applicable laws and regulations upon notification from either DOT or ITE.

**1.2.17** Vendor agrees that ITE or DOT will provide hardware infrastructure support for the Vendor's DOT Application only with respect to hardware owned by and located at ITE's and DOT's premises. Vendor shall be responsible for support and maintenance of the Vendor's DOT Application and Vendor's systems and other applications. Vendor shall transition the Vendor's DOT Application and related software applications and migrate the Vendor's customer database to the State based upon a mutually agreed upon transition plan. In addition, Vendor shall rewrite the database application so that the State shall not be required to obtain a license from Oracle. Following the transition, the State will be responsible for backup and archiving of all data and information in relation to the Vendor's DOT Application. The State



will provide Vendor with access to all records, backups and archives in relation to Vendor's applications to the extent necessary for Vendor to fulfill its obligations and exercise any rights expressly granted under this Agreement. Vendor shall not be required to transfer to the State the hardware or Third Party licenses owned by Vendor and used by Vendor to support its Services.

### **1.3 Vendor Specific Deliverables for Static Web Pages Developed for the State and State Governmental Entities**

**1.3.1** At the request of the State, ITE or any other Governmental Entity, Vendor will provide static web page analysis, design, content development and support. The Statement of Work will be amended to described any project under this section where the duration (from the project start date to the project completion date) is expected to exceed 5 business days.

**1.3.1.1** Vendor will provide Web site design, analysis, content development and maintenance for the State of Iowa home page.

**1.3.1.2** Vendor will provide Web site design, analysis, content development and support for the State and Governmental Entities.

**1.3.1.3** Project milestones will be developed jointly by the Vendor and the requesting Governmental Entity.

**1.3.1.4** Vendor will apprise ITE weekly of new requests and status of current requests via a weekly status report of new, pending and ongoing Projects or requests for services, system changes and other related issues. The Vendor will provide to the State or ITE new requests for approval prior to work commencing by the Vendor.

**1.3.1.5** Vendor agrees that the State will provide hardware infrastructure support for hardware owned by and located on the State's premises in connection with Web pages developed by Vendor. Vendor shall be responsible for all costs associated with Vendor-owned equipment and Software.

**1.3.1.6** Vendor will perform and report on a monthly basis the goal of 99% of the Governmental Entities requests will be met within timeframes agreed upon between the requesting Governmental Entity and the Vendor.

**1.3.1.7** Vendor and the State will work together to develop standard measures worksheets for projects with respect to the Services for the Network. Such worksheet will include the agreed to measurements on timeframes, the parameters of the work involved, delivery of Deliverables, and outputs relating to Web design projects. Results of each worksheet will be provided to ITE on a monthly basis by Vendor.

**1.3.1.8** Vendor will ensure that all Web pages developed by it will comply with Section 508 of the Rehabilitation Act and all standards developed by the Access Board. Vendor will utilize and comply with State- or ITE-developed or approved accessibility standards.

**1.3.1.9** The State and Vendor agree that for the purposes of Section 5.6 of the Agreement, the State may withhold compensation in the amount not to exceed \$500 per day for failure of Vendor to provide final versions of static Web pages identified in a Statement of Work within the agreed-to deadline. Upon providing a final version of all static Web pages under the SOW to the State and the State's Acceptance of same, the State will pay to Vendor 75% of the amount withheld by the State with respect to such Web pages.

**1.3.1.10** For the purposes of Section 8.1 of the Agreement, the State and Vendor agree that in the event the static Web pages delivered under the SOW fail to meet the warranty of Section

8.1, and the Vendor is unable to satisfactorily repair, correct or replace the static Web pages, the Vendor shall refund to the State the amount of \$1,000.

#### **1.4 Vendor Specific Deliverables for Dynamic Web Applications Developed for the State and State Governmental Entities**

**1.4.1** Vendor will provide 400 hours a month dedicated solely to dynamic Web application marketing, design, analysis, development, Services and/or support to the State (including Governmental Entities) as requested by the State. Vendor will report hours and Deliverables monthly to the State or ITE by project. The Statement of Work will be amended to describe any project under this section.

**1.4.1.1** Vendor will comply with the confidentiality, security, network connectivity, server hosting and application development standards and guidelines, including change control procedures specified by the State and Governmental Entities which are in effect as of the date of execution of the Statement of Work; any updates or changes will be handled by applicable change control procedures.

**1.4.1.2** Project milestones will be developed jointly by the Vendor and the requesting Governmental Entity. The Project Plan, including milestones and Performance Measures will be approved by the State or ITE prior to Vendor work commencing. The State or ITE will review and respond to each request for each dynamic Web application within 30 business days of its receipt from the Vendor. The priority order process will be established by ITE in consultation with Vendor, and shall be subject to the limitations of the 400 hours described above.

**1.4.1.3** Vendor will apprise ITE weekly of new requests and status of current requests via a weekly status report of new, pending and ongoing Projects or requests for services, system changes and other related issues.

**1.4.1.4** Vendor will provide weekly to ITE a listing of State Governmental Entity Projects that Vendor would like the State to consider for a new Value-added Services. ITE or State will respond to each request within 15 business days of ITE's receipt of the Vendor's request. If additional information is required for decision making, the 15 business days may be extended for a reasonable amount of time based on the additional analysis required to arrive at a decision. This listing shall include, at a minimum, the following:

- Project title
- Project description including the type of service offering
- Types of Users and estimated usage over a 12 month period
- Similar application comparisons (i.e. usage, value added service fee)
- Estimated development effort in hours – which will also be used for billing in comparison of planned vs. actual.
- Draft deployment plan to include specific Deliverables by Vendor, Projected dates for development and delivery, expectations of customer and expectations of ITE

**1.4.1.5** Vendor will follow ITE-provided application development and infrastructure guides, network configuration requirements for data access and transporting data, security access and comply with and use ITE or State-adopted software. Vendor further agrees and will utilize the ITE application development and Acceptance Testing guidelines along with server hosting standards. Software code will perform according to those agreed upon Specifications prior to the code being placed in production and meet ITE server hosting performance guidelines.

**1.4.1.6** Vendor acknowledges that individual Performance Measures will be developed and mutually agreed to by the Vendor, ITE and any other Governmental Entity for each Project or Service request.

**1.4.1.7** Vendor will perform and report on a monthly basis the goal of 99% of the Governmental Entities requests will be met within a timeframe agreed upon between the requesting Governmental Entity and the Vendor.

**1.4.1.8** Vendor and State will develop standard Measures Worksheets for projects with respect to the services on the Network. Such worksheet will include measures on timeframes, the parameters of the work involve, delivery of Deliverables and outputs relating to Web development application. Such worksheet will be provided to the Governmental Entity by the Vendor. Results of each worksheet will be provided by Vendor to ITE on a monthly basis.

**1.4.1.9** Vendor will ensure that all Web pages developed by it will comply with Section 508 of the Rehabilitation Act and all standards developed by the Access Board. In addition, Vendor will utilize and comply with State- or ITE-developed or approved accessibility standards.

**1.4.1.10** The State and Vendor agree that for the purposes of Section 5.6 of the Agreement, the State may withhold compensation in the amount not to exceed \$1000 per day for failure of Vendor to provide final versions of dynamic Web pages identified in a Statement of Work within the agreed to deadline. Upon providing a final version of such dynamic Web pages to the State and the State's Acceptance of same, the State will pay to Vendor 75% of the amount withheld by the State with respect to such Web pages.

**1.4.1.11** For the purposes of Section 8.1 of the Agreement, the State and Vendor agree that in the event the dynamic Web pages identified in a Statement of Work fail to meet the warranty of Section 8.1, and the Vendor is unable to satisfactorily repair, correct or replace the dynamic Web pages, the Vendor shall refund to the State the amount of \$7,500.

## **1.5 Fees**

During the term of this Agreement, the Vendor will be entitled to receive, subject to all terms and conditions of this Agreement, including with limitation, Section 5.1-5.8, 6.2, 8.4, 10.4 and Schedules A and B, \$1.45 per Certified Driver Operating Record Abstract accessed through the Network for which a Value-added Service Fee has been collected, paid to the State, and not refunded or credited (in whole or in part). The parties agree that the above-described compensation shall be the only compensation to which Vendor is entitled under the Agreement for all Services and Deliverables provided by the Vendor under this Agreement, including all Deliverables and Services described in any and all schedules, appendices and exhibits to this Agreement, unless otherwise agreed in writing.

## **SCHEDULE A**

### **STATEMENT OF WORK No. 02**

This Statement of Work is in addition to, and is not intended to supersede, any prior statements of work except where specifically stated.

#### **4.1 Effective Date**

This Statement of Work is effective as of April 1, 2006.

#### **4.2 Specific Responsibilities regarding the Vendor's Professional Licensing Application**

##### **4.2.1** The Vendor shall provide the following:

- a.) A redesigned database to the Department of Commerce Professional Licensing Division (PLD). Such database will allow PLD to conduct the business of the agency as specified in the functional specifications. The database will include, but not be limited to, license information, history, audit, continuing education, discipline, insurance and other areas as specified by PLD.
- b.) A web administration tool to allow PLD to make desired adjustments to the data without intervention by Vendor or ITE.
- c.) An online renewal system to allow users and PLD to renew licenses using a web interface.
- d.) A bulk licensing function to allow a user to renew multiple licenses available for renewal in a single transaction and with one payment.
- e.) A service for the creation and distribution of mailing lists. Vendor shall also make itself available to create mailing lists for PLD customers and satisfy requests in a timeframe specified by PLD.
- f.) Vendor shall provide an online search function for the purposes of allowing the public to locate information regarding professional licenses as allowed by law and specified by PLD.
- g.) A mechanism to automatically create letters of good standing at PLD's request.
- h.) A method for third party information, electronically provided to and approved by PLD, to be entered into the system, provided the information conforms to the security standards of ITE.
- i.) Vendor will provide help desk support related to the Vendor's Professional Licensing Application by providing phone and e-mail assistance to users. Vendor shall make help desk support available during regular State business days from 8:00 a.m. to 5:00 p.m. Vendor will provide a voice telephone number for the State, PLD and ITE to report problems and will adhere to the trouble ticket management processes established by ITE.

**4.2.2** Vendor will continue to maintain and support the database and Vendor's Professional Licensing Application for PLD as long as the Network Services Agreement is in effect. Vendor shall provide, at no cost to the State, ITE or PLD, all updates and enhancements to the Vendor's PLD Application as the State may request. Requests for changes to the application from PLD or ITE will be handled through the applicable change control procedures.

**4.2.3** The Vendor agrees to make the applications available through State's computer systems. The State shall host the database and all applications associated with this project on its servers.

**4.2.4** The online system may be accessed by licensees for the purpose of renewing their licenses as

required by law, by using a supplied username and password.

**4.2.5** Vendor agrees to comply with all laws of the State of Iowa and other requirements specified by PLD in the development of such online renewal system. Vendor also agrees to comply with any applicable laws and the direction of the PLD in the display of information.

**4.2.6** Vendor shall use the State's E-payment services when accepting electronic payment for services provided by this application. The State agrees to allow transactions associated with this application to be processed by its payment engine.

**4.2.7** Vendor shall include appropriate data related to this application in the monthly activity status report that is defined in Schedule B, Appendix 1 and delivered to ITE.

**4.2.8** Vendor shall be responsible for all costs associated with Vendor-owned equipment and software.

**4.2.9** Vendor agrees to comply with the terms of the SLA between ITE and PLD signed April 21, 2005.

**4.2.10** Vendor shall be responsible for providing application software and modifications to be loaded into the test environment and meeting ITE Acceptance Testing requirements as specified or approved by the State or ITE prior to the Software code being placed in production. Software shall meet ITE server hosting performance guidelines and will perform according to those agreed upon Specifications prior to the code being placed in production.

**4.2.11** Vendor shall notify ITE and PLD of any unauthorized access to any part of the Network lying within or otherwise subject to Vendor's control, within two (2) hours of detection of same. Vendor shall likewise notify PLD and ITE of any unauthorized access to, or disclosure of, Confidential Information of the State or a Governmental Entity. The notice shall contain detailed information to aid ITE and the PLD in examining the matter of unauthorized access or disclosure.

**4.2.12** Vendor shall be responsible for contacting ITE and the PLD five (5) business days in advance of any proposed changes to the Vendor's Professional Licensing Application or any support provided by Vendor with respect to that application. ITE will deploy any updated code into the production environment within 3 business days of receiving a request to do so. In the case of time-critical changes these limits can be waived by mutual agreement of the parties.

**4.2.13** Vendor's Project Manager will participate in regularly scheduled meetings with ITE and other Governmental Entities as requested by ITE. Vendor will acknowledge and serve, as provided in this SOW, ITE, and PLD as its customer.

**4.2.14** ITE shall provide all relevant information contained in the current database. Vendor shall migrate such data as indicated by PLD from the existing database to the new, redesigned database, which shall be owned by the State.

**4.2.15** ITE agrees that it will provide access to test http log files continuously and enable test debugging for developer needs. Test database logs will be provided on a temporary, as-needed basis to be discontinued once debugging is complete. Access to production http, application, and database log files for debugging purposes will be provided on a temporary, as-needed basis to be discontinued once debugging is complete. Developers are required to work with ITE system administrators to coordinate production logging activities. Portions of confidential system configuration files for production servers may be made available to developers on an as-needed basis, but ITE staff reserve the right to deny access to any configuration file deemed a security risk. Developers are required to work with ITE system administrators to coordinate the release of configuration information. Developers will be granted access to deploy applications to the development environment. Developers may also be provided access to update

production applications based on need and fit of application for dynamic deployment.

**4.2.16** ITE agrees that it will provide hardware infrastructure support for the Vendor's Professional Licensing Application only with respect to hardware owned by and located at ITE's premises. ITE will be responsible for the backup and archiving of all data and information related to the application that resides on hardware located on ITE's premises. ITE will provide Vendor with access to all records, backups and archives related to Vendor's Professional Licensing Application to the extent necessary for Vendor to fulfill its obligations and duties under this Agreement.

**4.2.17** Vendor shall not be required to transfer to the State the hardware owned by Vendor and used by Vendor to support the Vendor's Professional Licensing Application.

**4.2.18** Vendor will comply with the confidentiality, security, network connectivity, server hosting and application development standards and guidelines, including change control procedures specified by ITE, the State and PLD that are in effect as of the date of execution of the Statement of Work. Vendor shall comply in a timely manner with any new or revised confidentiality, security, network connectivity, server hosting and/or application development standards and guidelines, including change control procedures specified by ITE, the State and PLD.

**4.2.19** Project milestones will be developed jointly by the Vendor and PLD. The Project Plan, including milestones and Performance Measures will be approved by the State or ITE prior to Vendor commencing work.

**4.2.20** Vendor will follow ITE-provided application development and infrastructure guides, network configuration requirements for data access and transporting data, security access. Vendor further agrees to utilize the ITE application development and Acceptance Testing guidelines along with server hosting standards. Software code will perform according to those agreed upon Specifications prior to the code being placed in production and meet ITE server hosting performance guidelines. The redesigned database provided by the Vendor will meet applicable ITE standards.

**4.2.21** Vendor shall notify ITE and PLD of Third Party software products that are imbedded in the application and are necessary for the continued operation and support of the application. ITE and PLD shall approve of the use of these products prior to the application being released for production operation. Vendor shall transfer ownership of the licenses for the Third Party software upon termination of the Network Services Agreement or shall rewrite the application so that the Third Party software is no longer needed and there is no change in functionality of the application. The choice shall be at the option of the Vendor.

**4.2.22** Vendor shall ensure that all user interfaces developed by it will comply with Section 508 of the Rehabilitation Act and all standards developed by the Access Board. Vendor will utilize and comply with State- or ITE-developed or approved accessibility standards.

**4.2.23** The Vendor's Professional Licensing Application and any other software developed or provided by Vendor under this SOW shall be considered Software for all purposes in this Agreement and the Software License Agreement.

**4.2.24** All Deliverables under this Statement of Work shall be subject to review, testing and Acceptance in accordance with the provisions of Section 6.2.

**4.2.25** Deliverable Documentation consists of:

- a.) Functional Specification
- b.) Technical Specification

- c.) Database schemas
- d.) File import/export interfaces and their specifications
- e.) Project Plan
- f.) Web site graphics

**4.2.26** Upon the occurrence of any event described in Section 5.6, the State may withhold up to 100% of any amount invoiced for any Deliverable under this SOW.

**4.2.27** In the event Vendor is unable to satisfactorily repair, correct or replace a Deliverable pursuant to Section 8.1, Vendor shall pay or refund to the State an amount demanded by State up to the 100% of the amount the State has paid for such Deliverable under this SOW.

**4.2.28** Pursuant to Section 6.2, the Vendor shall have a reasonable period of time specified by the State in its notice of Non-Acceptance to correct any Deficiencies specified in the notice of Non-Acceptance with respect to all Deliverables provided under this SOW.

### **4.3 Fees**

During the term of this SOW, the Vendor will be entitled to receive, subject to all terms and conditions of the Network Services Agreement including, without limitation, Sections 5.1-5.8, 6.2, 8.4, and 10.4, the fees listed below. The parties agree that the listed compensation shall be the only compensation to which Vendor is entitled for Services and Deliverables provided by the Vendor under this SOW unless otherwise agreed to in writing.

- a.) \$1.00 per Renewal made online through the Vendor's Professional Licensing Application.
- b.) \$10.00 per mailing list prepared at the PLD's and customer's request.
- c.) \$0.50 per letter of good standing created by the Vendor's Professional Licensing Application at the PLD's request.

## **SCHEDULE A**

### **STATEMENT OF WORK No. 03**

#### **3.1 Effective Date**

This Statement of Work is effective as of April 1, 2006.

#### **3.2 Specific Responsibilities regarding the Vendor's Cabin and Campground Reservation Application**

##### **3.2.1** The Vendor shall provide the following:

- j.) A Cabin and Campground Reservation Application for the Department of Natural Resources (DNR). Such application will provide an online reservation of sites and facilities with the ability to accept the online payment of reservation fees and the ability to perform cancellation of reservations online as well.
- k.) The ability for users and DNR staff to view personal reservation history and create guest accounts for occupants.
- l.) A web administration tool to allow DNR to make desired adjustments to the reservations data without intervention by Vendor or ITE and generate necessary reports through a web interface.
- m.) An application that, when requested and approved by the DNR and the State, can be used to provide reservation services to other political subdivisions.
- n.) A service for the DNR to create and distribute mailing lists. Vendor shall also make itself available to create mailing lists for DNR and DNR authorized customers and satisfy such requests in a mutually agreed upon timeframe.
- o.) Vendor shall provide an online search function for the purposes of allowing the public to locate information regarding facility features and availability, including but not limited to: detailed maps with photographs, a listing of features and amenities for each campsite, and a feature to allow simultaneous comparison of multiple campsites.
- p.) Vendor will provide help desk support related to the Vendor's Cabin and Campground Reservation Application by providing phone and e-mail assistance to users. Vendor shall make help desk support available during regular State business days from 8:00 a.m. to 5:00 p.m. Vendor will provide a voice telephone number for the State, DNR and ITE to report problems and will adhere to the trouble ticket management processes established by ITE.
- q.) Vendor will provide call center capabilities related to the Vendor's Cabin and Campground Reservation Application in order to allow users to make reservations via telephone. Vendor shall make call center capabilities available during regular State business days from 8:00 a.m. to 5:00 p.m.

**3.2.2** Vendor will continue to maintain and support the Vendor's Cabin and Campground Reservation Application for DNR as long as the Network Services Agreement is in effect. Vendor shall provide, at no cost to the State, ITE or DNR, all updates and enhancements to the Vendor's Cabin and Campground Reservation Application as the State may request. Requests for changes to the application from DNR or ITE will be handled through the applicable change control procedures.

**3.2.3** The Vendor agrees to make the applications available through the States computer systems. The State shall host the database and all applications associated with this project on its servers.

**3.2.4** Vendor agrees to comply with all laws of the State of Iowa and other requirements specified by



DNR in the development of such online system. Vendor also agrees to comply with any applicable laws and the direction of the DNR in the display of information.

**3.2.5** Vendor shall use the State's E-payment services when accepting electronic payment for services provided by this application. The State agrees to allow transactions associated with this application to be processed by its payment engine.

**3.2.6** Vendor shall include appropriate data related to this application in the monthly activity status report that is defined in Schedule B, Appendix 1 and delivered to ITE.

**3.2.7** Vendor shall be responsible for all costs associated with Vendor-owned equipment and software.

**3.2.8** Vendor agrees to comply with the terms of the SLA between ITE and DNR.

**3.2.9** Vendor shall be responsible for providing application software and modifications to be loaded into the test environment and meeting ITE Acceptance Testing requirements as specified or approved by the State or ITE prior to the Software code being placed in production. Software shall meet ITE server hosting performance guidelines and will perform according to those agreed upon Specifications prior to the code being placed in production.

**3.2.10** Vendor shall notify ITE and DNR of any unauthorized access to any part of the Network lying within or otherwise subject to Vendor's control, within two (2) hours of detection of same. Vendor shall likewise notify DNR and ITE of any unauthorized access to, or disclosure of, Confidential Information of the State or a Governmental Entity. The notice shall contain detailed information to aid ITE and the DNR in examining the matter of unauthorized access or disclosure.

**3.2.11** Vendor shall be responsible for contacting ITE and the DNR five (5) business days in advance of any proposed changes to the Vendor's Cabin and Campground Reservation Application or any support provided by Vendor with respect to that application. ITE will deploy any updated code into the production environment within 3 business days of receiving a request to do so. In the case of time-critical changes these limits can be waived by mutual agreement of the parties.

**3.2.12** Vendor's Project Manager will participate in regularly scheduled meetings with ITE and other Governmental Entities as requested by ITE. Vendor will acknowledge and serve, as provided in this SOW, ITE, and DNR as its customer.

**3.2.13** ITE agrees that it will provide access to test http log files continuously and enable test debugging for developer needs. Test database logs will be provided on a temporary, as-needed basis to be discontinued once debugging is complete. Access to production http, application, and database log files for debugging purposes will be provided on a temporary, as-needed basis to be discontinued once debugging is complete. Developers are required to work with ITE system administrators to coordinate production logging activities. Portions of confidential system configuration files for production servers may be made available to developers on an as-needed basis, but ITE staff reserve the right to deny access to any configuration file deemed a security risk. Developers are required to work with ITE system administrators to coordinate the release of configuration information. Developers will be granted access to deploy applications to the development environment. Developers may also be provided access to update production applications based on need and fit of application for dynamic deployment.

**3.2.14** ITE agrees that it will provide hardware infrastructure support for the Vendor's Cabin and Campground Reservation Application only with respect to hardware owned by and located at ITE's premises. ITE will be responsible for the backup and archiving of all data and information related to the application that resides on hardware located on ITE's premises. ITE will provide Vendor with access to all records, backups and archives related to Vendor's Cabin and Campground Reservation Application to the

extent necessary for Vendor to fulfill its obligations and duties under this Agreement.

**3.2.15** Vendor shall not be required to transfer to the State the hardware owned by Vendor and used by Vendor to support the Cabin and Campground Reservation Application.

**3.2.16** Vendor will comply with the confidentiality, security, network connectivity, server hosting and application development standards and guidelines, including change control procedures specified by ITE, the State and DNR that are in effect as of the date of execution of the Statement of Work. Vendor shall comply in a timely manner with any new or revised confidentiality, security, network connectivity, server hosting and/or application development standards and guidelines, including change control procedures specified by ITE, the State and DNR.

**3.2.17** Project milestones will be developed jointly by the Vendor and DNR. The Project Plan, including milestones and Performance Measures will be approved by the State or ITE prior to Vendor commencing work.

**3.2.18** Vendor will follow ITE-provided application development and infrastructure guides, network configuration requirements for data access and transporting data, security access. Vendor further agrees to utilize the ITE application development and Acceptance Testing guidelines along with server hosting standards. Software code will perform according to those agreed upon Specifications prior to the code being placed in production and meet ITE server hosting performance guidelines. The redesigned database provided by the Vendor will meet applicable ITE standards.

**3.2.19** Vendor shall notify ITE and DNR of Third Party software products that are imbedded in the application and are necessary for the continued operation and support of the application. ITE and DNR shall approve of the use of these products prior to the application being released for production operation. Vendor shall transfer ownership of the licenses for the Third Party software upon termination of the Network Services Agreement or shall rewrite the application so that the Third Party software is no longer needed and there is no change in functionality of the application. The choice shall be at the option of the Vendor.

**3.2.20** Vendor shall ensure that all user interfaces developed by it will comply with Section 508 of the Rehabilitation Act and all standards developed by the Access Board. Vendor will utilize and comply with State- or ITE-developed or approved accessibility standards.

**3.2.21** The Vendor's Cabin and Campground Reservation Application and any other software developed or provided by Vendor under this SOW shall be considered Software for all purposes in this Agreement and the Software License Agreement.

**3.2.22** All Deliverables under this Statement of Work shall be subject to review, testing and Acceptance in accordance with the provisions of Section 6.2.

**3.2.23** Deliverable Documentation consists of:

- g.) Functional Specification
- h.) Technical Specification
- i.) Database schemas
- j.) Project Plan
- k.) Web site graphics

**3.2.24** Project completion date is planned for August 1, 2005. DNR business requirements may necessitate the adjustment of this date. That adjustment will be handled through the defined change control

process.

**3.2.25** Acceptance criteria will be defined in the Project Plan.

**3.2.26** Upon the occurrence of any event described in Section 5.6, the State may withhold up to 100% of any amount invoiced for any Deliverable under this SOW.

**3.2.27** In the event Vendor is unable to satisfactorily repair, correct or replace a Deliverable pursuant to Section 8.1, Vendor shall pay to the State an amount demanded by State up to the aggregate amount the State has paid for such Deliverable under this SOW.

**3.2.28** Pursuant to Section 6.2, the Vendor shall have a reasonable period of time specified by the State in its notice of Non-Acceptance to correct any Deficiencies specified in the notice of Non-Acceptance with respect to all Deliverables provided under this SOW.

### **3.3 Fees**

During the term of this SOW, the Vendor will be entitled to receive, subject to all terms and conditions of the Network Services Agreement including, without limitation, Sections 4.4, 5.1-5.8, 6.2, 8.4, and 10.4, the fees listed below. The parties agree that the listed compensation shall be the only compensation to which Vendor is entitled for Services and Deliverables provided by the Vendor under this SOW unless otherwise agreed to in writing. Vendor will only be entitled to receive fees for transactions for which a Value-added Service Fee has been collected, paid to the State, and not refunded or credited (in whole or in part).

- d.) \$1.00 per Reservation made through the Vendor's Cabin and Campground Reservation Application via the Internet application.
- e.) \$5.00 per Reservation made through the Vendor's call center capability for the Cabin and Campground Reservation Application.

## **SCHEDULE A**

### **STATEMENT OF WORK No. 04**

#### **4.1 Effective Date**

This Statement of Work is effective as of April 1, 2006.

#### **4.2 Specific Responsibilities regarding the Vendor's Google Search Application**

##### **4.2.1 The Vendor shall provide the following:**

- r.) A Google search engine to be used on the State homepage. Any Governmental Entity of the state may request to have its domain indexed in order to create a site-specific search.
- s.) Formatting the search results display and the programmatic interface to the search engine. Vendor agrees to work with the search engine provider to optimize search results in keeping with the terms and conditions of its existing license.
- t.) Vendor will provide help desk support related to the Vendor's search engine by providing phone and e-mail assistance to users. Vendor shall make help desk support available during regular State business days from 8:00 a.m. to 5:00 p.m. Vendor will provide a voice telephone number for the State and ITE to report problems and will report to ITE on all issues handled by Vendor's help desk.

**4.2.2** Vendor will continue to maintain and support the Vendor's Google Search Application as long as the Network Services Agreement is in effect. Vendor shall provide, at no cost to the State, or ITE, all updates and enhancements to the Vendor's Google Search Application as are available under the license acquired by the Vendor and as mutually agree upon by the State or ITE, and the Vendor.

**4.2.3** The Vendor agrees to provide services to assist the State in setting up a new or replacement search engine provided by the State should the Agreement expire or the State elect to implement a different search engine.

**4.2.4** Vendor shall hold the license for the Google Search Engine and continue to provide this service until the expiration of the Agreement. This license is not transferable and will not be available for transfer at expiration.

**4.2.5** Vendor shall notify ITE of any unauthorized access to any part of the Network lying within or otherwise subject to Vendor's control, within two (2) hours of detection of same. Vendor shall likewise notify ITE of any unauthorized access to, or disclosure of, Confidential Information of the State or a Governmental Entity. The notice shall contain detailed information to aid ITE in examining the matter of unauthorized access or disclosure.

**4.2.6** Vendor shall be responsible for contacting ITE five (5) business days in advance of any proposed changes to the Vendor's Google Search Application or any support provided by Vendor with respect to that application.

**4.2.7** Vendor will comply with the confidentiality, security, network connectivity, server hosting and application development standards and guidelines, including change control procedures specified by ITE and the State that are in effect as of the date of execution of the Statement of Work. Vendor shall comply in a timely manner with any new or revised confidentiality, security, network connectivity, server hosting and/or application development standards and guidelines, including change control procedures specified by

ITE and the State.

**4.2.8** Project milestones will be developed jointly by the Vendor and ITE. The Project Plan, including milestones and Performance Measures will be approved by the State or ITE prior to Vendor commencing work.

**4.2.9** Vendor shall ensure that all user interfaces developed by it will comply with Section 508 of the Rehabilitation Act and all standards developed by the Access Board. Vendor will utilize and comply with State- or ITE-developed or approved accessibility standards.

**4.2.10** All Deliverables under this Statement of Work shall be subject to review, testing and Acceptance in accordance with the provisions of Section 6.2.

**4.2.11** Deliverable document will consist of:

- a.) A listing of all State web sites indexed for the Google Search Application.
- b.) A listing of all State web sites that use the Google Search Application for creating a sub-site search.

**4.2.12** Project completion date is February 28, 2005.

**4.2.13** Pursuant to Section 6.2, the Vendor shall have a period of time agreed to by the parties upon receipt of a notice of Non-Acceptance to correct any Deficiencies specified in the notice of Non-Acceptance with respect to all Deliverables provided under this SOW.

### **4.3 Fees**

There will be no Value-added fees collected for this service. As a result, Vendor shall be entitled to no additional compensation for providing any of the Deliverables described in this SOW.

## **SCHEDULE B**

### **PERFORMANCE STANDARDS AND MEASURES PAYMENT, MONITORING AND REVIEW CLAUSES**

The parties acknowledge and agree that high quality and timely performance of the Services that Vendor is required to perform as part of this Agreement is an important and essential component of the overall success of this Agreement.

#### **1 PAYMENT FOR PERFORMANCE**

- Vendor compensation is tied to performance as provided in Sections 5.1, 5.2, 5.6, 5.9, 8.1 and 10.4 of the Agreement and Sections 1.3.1.9, 1.3.1.10, 1.4.1.10, 1.4.1.11, 1.5 and 1.6 of the SOW and as agreed to in all Statements of Work.
- Vendor will submit to the State monthly, detailed invoices requesting payment of compensation and all such supporting information to justify the requested compensation and such other information as the State may request in accordance with Section 5.2 of the Agreement.
- Vendor is required by this Agreement to provide the State with detailed monthly reports in the form provided in SOW Appendix 1 and Schedule B, Appendix 1 and all other Statements of Work agreed to by the parties.
- Vendor will comply with the State, ITE, DOT or other Government Entity Monitoring and Review provisions of this Agreement
- In any month during the term of this Agreement that the Vendor fails to provide support in accordance with the requirements stated in Section 1.2.7 of Schedule A – Statement of Work, Vendor shall, at the State's request, refund to the State 2% of the monthly compensation paid by the State for each and every such failure occurring during a given month.

#### **2 MONITORING**

In order to allow the State to effectively monitor the Vendor's compliance with and performance under this Agreement, the Vendor will, on a monthly basis, provide the following documentation:

- Detailed invoices with supporting information as required by Section 5.2 of the Agreement.
- Transaction details as defined in SOW Appendix 1.
- Monthly activity status reports as defined in Schedule B, Appendix 1.
- The State will use the Acceptance Test procedures described in Section 6.2 of the Agreement to monitor the quality of Deliverables and to determine whether Deliverables meet Acceptance Criteria.

#### **3 REVIEW**

The State will use the following measures and documentation in reviewing performance under this Agreement:

- Performance Measures as detailed in Sections 1.2.7, 1.3.1.6, 1.3.1.8, 1.4.1.7 and 1.4.1.9 of the SOW.
- Input Measures as detailed in Section 5.9 of the Agreement and Section 1.4.1 of the SOW.

- Outcome Measures as detailed in Sections 3 & 5 of Schedule B Appendix 1.
- Detailed invoices with supporting information as required by Section 5.2 of the Agreement.
- Transaction details as defined in SOW Appendix 1.
- Monthly activity status reports as defined in Schedule B, Appendix 1.
- Input Measures and Outcome Measures as detailed in additional SOW's.

## **SCHEDULE B**

### **Appendix 1**

The monthly activity status report provided by the Vendor shall use the following format:



Iowa Interactive  
Monthly Status Report Format

**Contents**

1. Management Summary
2. Financial Report  
Should include monthly and year-to-date versus budget. Format and content should be similar in content to the example Kansas report included.
3. Production Worksheet  
One entry per current application/web site in production.
4. Project Status Worksheets  
*Current/ongoing projects*  
One worksheet per project (application or static Web)  
*New/proposed projects (one per project)*  
One worksheet per project (application or static Web)
5. Marketing Report
  - A. Marketing Activities
  - B. Media stories
  - C. Contacts
  - D. Quarterly Marketing Statistics
6. Value-added Service Detail  
Details reported as per SOW Appendix 1

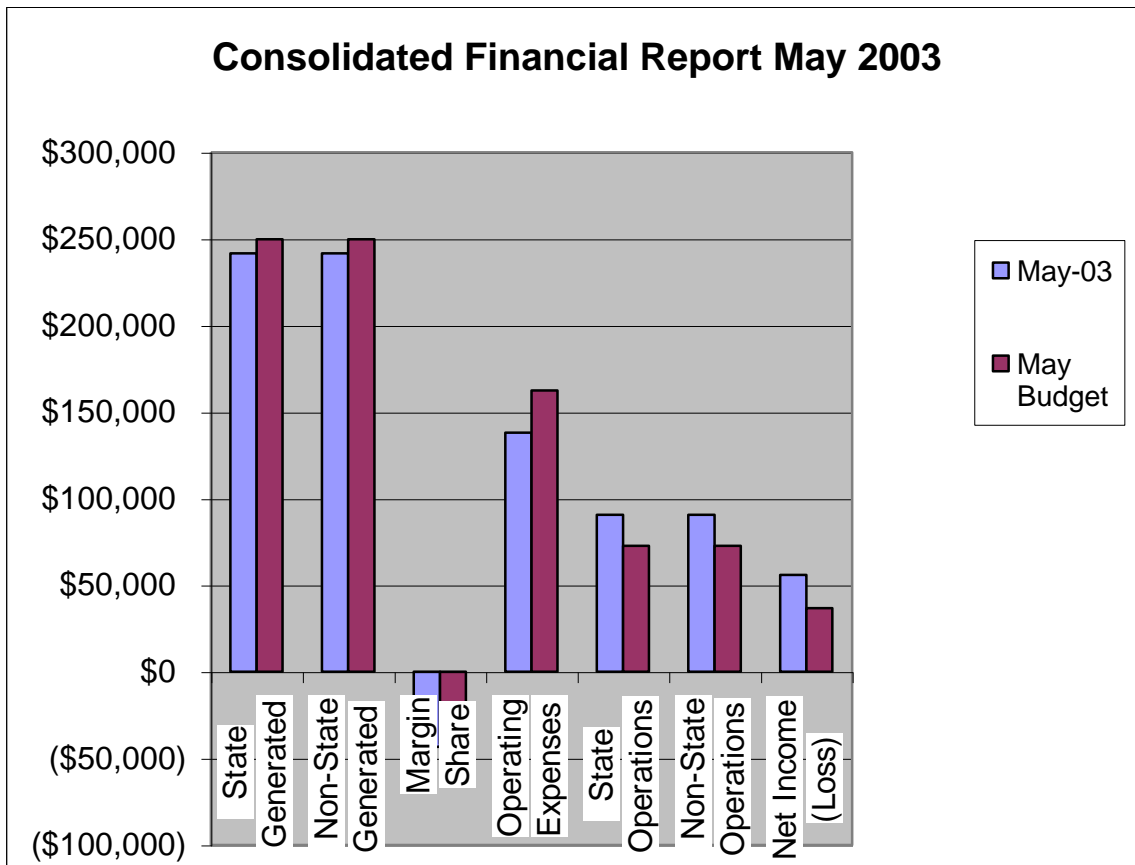
## **1. Management Summary**

## 2. Financials

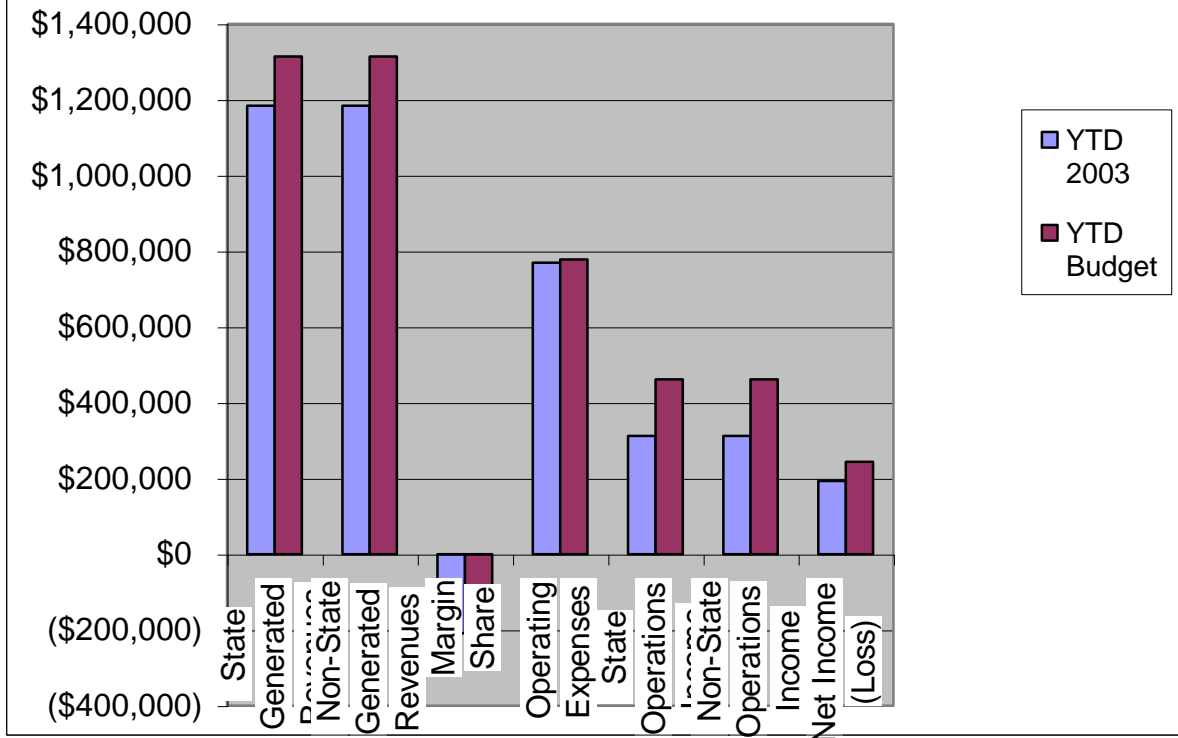
### CONSOLIDATED FINANCIAL REPORT

-unaudited report-

	May-03	May Budget	Variance %	YTD 2003	YTD Budget	Variance %
Revenues						
State	\$241,611	\$249,883	-3%	\$1,184,373	\$1,313,545	-10%
Non-State	\$241,611	\$249,883	-3%	\$1,184,373	\$1,313,545	-10%
Margin Share	(\$43,321)	(\$41,532)	4%	(\$208,661)	(\$213,719)	-2%
Operating Expenses	\$138,154	\$162,447	-15%	\$769,323	\$778,157	-1%
Income (Loss) from operations						
State	\$90,734	\$72,736	25%	\$312,207	\$461,888	-32%
Non-State	\$90,734	\$72,736	25%	\$312,207	\$461,888	-32%
<b>Net Income (Loss)</b>	<b>\$56,014</b>	<b>\$36,794</b>	<b>52%</b>	<b>\$192,907</b>	<b>\$243,974</b>	<b>-21%</b>



## Consolidated Financial Report YTD 2003



### DRAFT INFORMATION - June 2003

	June-03	YTD 2003
Revenues		
Batch Revenue	\$338,755	
Interactive Revenue	\$555,777	
Total Application Site Visits:	1,170,736	11,676,176
Avg Successful Requests Per Day	39,025	64,509
Business Days:	21	126

### 3. Production Reports

Application	Transaction Volume	Web traffic Volume

#### 4. Project Status Reports

##### APPLICATION PROJECT STATUS REPORT

As of – mm/dd/yyyy

**Project Description –**

**Project Target Audience –**

**Expected usage volume –**

**Mandatory Requirements –**

**Additional costs (estimated & actual) –**

Project Name –					
Task	Date Due	Date Delivered	Percentage Completed	Hours Used	Notes
Initial Meeting					
Parameters Identified					
Sign-off on Parameters					
<b>Graphics</b>					
Draft Graphics					
Sign off by State					
<b>Application Design</b>					
Functional Design					
Design signoff					
<b>Specifications</b>					
Functional Specifications Review					
Finalize Specs					
Sign off by State					
<b>Development</b>					
Code Developed					
Signoff by State					
<b>Reports</b>					

Browser Report					
Security Standards Report					
Application Standards Report					
Documentation Delivered					
<b>Rollout</b>					
Training					
To Test					
To Production					

## STATIC PAGES PROJECT STATUS REPORT

As of – mm/dd/yyyy

**Project Description –**

**Project Target Audience –**

**Expected usage volume –**

**Mandatory Requirements –**

**Additional costs (estimated & actual) –**

Project Name –					
Task	Date Due	Date Delivered	Estimated Hours	Hours Used	Notes
Initial Meeting					
Parameters Identified					
Sign-off on Parameters					
<b>Graphics</b>					
Draft Graphics					
Sign off by State					
<b>Structure</b>					
Draft Structure					
Sign off by State					
<b>Page Layout</b>					
Draft Layout					
Signoff by State					
<b>Content</b>					
Harvest Content					
Content Sign-off					
<b>Reports</b>					
Browser Report					
Link Report					
Images Report					
Forms Report					
Print Report					
Load Time Report					



Accessibility Report					
Documentation Delivered					
<b>Rollout</b>					
Training					
To Test					
To Production					

## 5. Marketing Report

- 2        Marketing Activities
- 3        Media Stories
- 4        Contacts
- 5        Quarterly Marketing Statistics

On a quarterly basis, starting in June 2004, the Vendor shall provide the State with a written report describing and measuring Vendor's performance of the marketing services. Such services will be measured using, among other things, the following components: (i) the historical rate of growth of usage of the Vendor's DOT Application as provided by the DOT, (ii) analysis of new and used car sales in the State of Iowa, (iii) increases in other similar services provided by the DOT, (iv) activities of the Vendor in regard to marketing services, (v) other pertinent factors as may be agreed by the parties which apply to adoption rates; (vi) the number of unique accesses to the States home page by week, (vii) the average length of time a user stays at the States home page per week, (viii) promotional activities undertaken by the Vendor to promote use of the States home page or other Governmental Entities' applications, (ix) and other measures that the Vendor and State agree to for new applications.

## **6. Value Added Services Detail**

Information as required under the Statement of Work Appendix 1.

Due to the volume of information, the required data will be included by reference including the date delivered and recipient.